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Cambodian SNC Meeting Continues

Sihanouk Gives News Conference on 26 Jun

BK2706011591 Bangkok THE NATION in English 27 Jun 91 pp A1, A3

[Text] Phatthaya—The warring Cambodian factions ended their three-day meeting here yesterday after making important breakthroughs but failing to agree on how to monitor a voluntary ceasefire and implement the UN peace plan for their war-torn country.

The Cambodians decided to reconvene the Supreme National Council (SNC), the national reconciliation body, at the former Cambodian Embassy in Bangkok in August, to discuss the unresolved issues.

Resistance leader Prince Norodom Sihanouk told a closing news conference at the Royal Cliff Beach Hotel where the meeting was held that he could not get the factions to agree on how to implement the peace plan worked out by the five permanent members of the UN Security Council, the primary issue for the Phatthaya talks.

The three resistance factions, including the Khmer Rouge, have accepted the plan for a monitored truce, demobilization of the armies of the four factions, a UN peacekeeping force, and extensive UN involvement in running the country before supervised elections.

However, the Phnom Penh government has rejected disarmament before elections and is opposed to a major UN military presence in the country.

Sihanouk said the SNC would hold informal talks today with Rafiuddin Ahmed, the UN special envoy on Cambodia, and officials of France and Indonesia, which co-chair the Paris conference on Cambodia.

"We will discuss the unsolved problems ... The most important matter will be the proposal (by Phnom Penh Prime Minister Hun Sen) to amend the peace plan," Sihanouk said.

"Hun Sen does not want to implement the peace plan in full," the prince said. He said the Phnom Penh leader's amendments included one concerning the proposed UN transitional authority in the country before elections.

Sihanouk, who is now the SNC's de facto chairman, said the meeting had agreed to inform UN Secretary General Javier Perez de Cuellar of the flag and anthem for the SNC that had been agreed upon the day before.

Sihanouk said the SNC members also agreed to set up three working groups to study the rules of procedure of the SNC, electoral laws, and principles for the new constitution of Cambodia. The groups would be based in Bangkok while working on these matters, he said.

The SNC's Secretariat, which comprises two members from each of the resistance factions and six from Phnom Penh, will be located in Bangkok pending the refurbishment of the government guest house in Phnom Penh, Sihanouk said.

The Cambodians on Tuesday agreed to site the SNC headquarters in Phnom Penh with the simultaneous presence of missions from France and Indonesia, the special representative of the UN secretary general, the five permanent members of the UN Security and ASEAN countries.

Sihanouk also announced he would visit Phnom Penh in November instead of August because Cambodian authorities needed a few months to repair the Royal Palace, his former residence.

Prime Minister Anan Panyarachun last night expressed satisfaction at the outcome of the Phatthaya talks, saying the Cambodian factions had exhibited serious attempts to work toward peace and reconciliation.

Anan, who arrived here last night to host dinner for the Cambodians, said Prince Sihanouk was instrumental in getting the Cambodians to come to an initial agreement.

He said Thailand is ready to continue facilitating future Cambodian peace efforts but would not interfere with them.

Foreign Minister Asa Sarasin and Army Commander in Chief Gen Suchinda Khraprayun also attended last night's dinner at the hotel.

Speaking at last night's banquet, Anan said he sensed a new mood of pragmatism among the Cambodian parties.

"The Cambodian problem has been with us ... far too long," said the prime minister, adding that now, however, he felt that the contending factions realized "that a rigid approach cannot answer your problems."

"I rushed here (Phatthaya) to share with you the pride in the progress made by the SNC," Anan said. "The progress has been more than I (personally) expected."

Regarding the verification of the ceasefire, Sihanouk said he hoped the UN would soon send an observer team to work alongside "the intra-Cambodian monitoring team" to prepare for future full UN monitoring.

"In the process of a ceasefire and cessation of foreign military assistance, I hope they will send a UN special survey team to establish working contacts between the SNC, the UN Security Council and the Perm Five," said the former monarch.

Australia, Japan To Establish Ties With SNC

BK2706011991 Bangkok THE NATION in English 27 Jun 91 p A6

[Text] Phatthaya—Australia and Japan yesterday announced their readiness to establish diplomatic ties with Cambodia's Supreme National Council, while several other countries are considering taking the same step.

Thailand, host of the three-day Council's meeting in Phatthaya, was said to have raised the issue when Prime Minister Anan Panyarachun hosted a dinner last night to mark the accomplishments of the talks among the 12 SNC members.

Speaking at the end of the three-day meeting, Sihanouk, the de facto chairman of the council, said Australia and Japan have already informed him of their wish to accredit an ambassador to the SNC, which serves as a unified Cambodian sovereignty.

Up to now "only one signal has come from Australia," said Sihanouk. His announcement prompted a Japanese observer to stand up and inform the prince during the press conference of the Japanese decision.

Asked from which country he would want to see accreditation come, Sihanouk said he wanted "absolutely to see all friendly countries taking the move without discrimination."

When contacted yesterday, most of the foreign observers, mainly from countries involved in the Cambodian peace process, expressed their satisfaction with the outcome of the SNC meeting.

Representatives from China, France, the Soviet Union, the United Kingdom, and the United States said they welcomed the success in Phatthaya and had alrady reported on the results to their capitals.

An observer from the Chinese Embassy said the decision to establish diplomatic ties with the SNC rested on Beijing, but so far China welcomed the Phatthaya outcome.

A representative of the United Kingdom said, "It will take a while before London will make a decision," while an envoy from the US Embassy said, "We will consider whether we should have our representatives in Phnom Penh."

France, according to Sihanouk, "is willing to establish, as soon as possible, diplomatic relations at the ambassadorial level. The Cambodian monarch is expected to receive a signal from Paris "within a few days."

A French observer said yesterday that Paris will send a "charge d'affaires" to Phnom Penh once the SNC delegation goes to Phnom Penh, and will dispatch an ambassador when its former embassy there is refurbished.

Diplomatic sources said the French observation team was "very satisfied" with the meeting outcome, and that Paris has pledged to provide assistance to the SNC now that its headquarters will be located in Phnom Penh.

According to the sources, France and Japan have already picked their ambassador designates. Yukio Imagawe, Minister of the Japanese Embassy in Bangkok, is set to become the first Japanese envoy to the SNC. Sources said Paris clearly understood that it had two hats—as one of the co-chairmen of the Paris international conference on Cambodia and one of the five permanent members of the UN Security Council—but it was ready to accept a "half-way solution", without the full Cambodian endorsement of the draft peace agreements.

Now that the SNC has already come into function and a ceasefire has been implemented, though without verification, France is preparing to provide "observer teams and technical assistance" including radio and communications officials who would report on the spot to the United Nations if there were any violation of the truce agreement.

An Indian observer to the meeting declined to make any comment on the accreditation issue saying that the matter has to be discussed and decided in New Delhi.

Asked about safety and security guarantees for foreign diplomats and SNC members inside Phnom Penh, Phnom Penh Defence Minister Tie Banh said his party is fully responsible for security measures in the capital and inside the country.

"We (Phnom Penh) will provide the fullest security to all foreign diplomats, guests and the SNC members," he said.

The Cambodia's warring factions ended their three-day peace talks at the beach resort of Phatthaya yesterday after key progress toward reconciliation but left unresolved how to monitor pledges for a truce and a halt in foreign arms supplies .

The lack of UN monitoring left open the distinct possibility of more broken pledges and fighting, said diplomats observing the talks.

Sihanouk Previews 27 Jun Phatthaya Talks

BK2706045891 Hong Kong AFP in English 0422 GMT 27 Jun 91

[Excerpts] Phatthaya, Thailand, June 27 (AFP)—Cambodia's warring factions went into talks here Thursday in a bid to narrow broad differences over a United Nations peace plan in the Southeast Asian nation.

The informal meeting took place at the initiative of Cambodian resistance leader prince Norodom Sihanouk, who has said he wanted to become a "bridge" between the Vietnam-backed Phnom Penh government and the Khmer Rouge, military backbone of the resistance.

Talking to reporters shortly before the beginning of the talks the prince, Cambodia's deposed monarch, said there was "still plenty of work to be done" for his mediation to succeed.

"But, we have achieved a good measure of success already," he said.

Prince Sihanouk was referring to a three-day meeting of the factions within the framework of Cambodia's Supreme National Council (SNC) which ended in this Thai seaside resort on Wednesday.

The SNC, in a major breakthrough, agreed on a permanent cease- fire in the 12-year-old war, an end of foreign

military aid to the factions, and the setting up of SNC headquarters in Phnom Penh.

China is the chief arms supplier of the Khmer Rouge, a radical Marxist group which was driven from power in January 1979 after Vietnam had invaded Cambodia to install a friendly government in Phnom Penh. [passage omitted on previously filed material]

During the formal SNC meeting, however, the Cambodian Government and the Khmer Rouge failed to agree over a mechanism for the U.N. to monitor the cease-fire.

The Khmer Rouge wants full implementation of the U.N. plan, put together by the world organization's Security Council five permanent members—Britain, China, France, the United States and the Soviet Union.

The blueprint gives sweeping powers to the U.N. during an interim period leading up to internationally-supervised elections, and the Khmer Rouge sees it as an instrument to remove the Phnom Penh government.

But the Cambodian Government has insisted the plan be substantially amended, precisely to allow its administration and armed forces to remain intact.

Cambodian Prime Minister Hun Sen and Khmer Rouge leader Khieu Samphan were among those attending Thursday's discussions. Also present were Rafiuddin Ahmed, a top U.N. official, as well as French and Indonesian diplomats.

France and Indonesia co-chair an international conference on Cambodia which is to be eventually convened in Paris to sanction an agreement.

Sihanouk, Hun Sen Remark on Meeting's Outcome

BK2706121591 Phnom Penh SPK in English 1124 GMT 27 Jun 91

[Text] Phatthaya, SPK June 27th—A luncheon was organized at Royal Cliff Hotel here by Prince Norodom Sihanouk in honour of all members of the Supreme National Council and all participants.

Speaking to foreign diplomats before the luncheon Prince Sihanouk said he was very happy with the results of the Phatthaya meeting. Also participating in this cordial luncheon were Wirayono Sastrahadoyo and David Levittes, representatives of the cochairmen of the Paris International Conference on Cambodia, Ahmed Rafiuddin, representative of the United Nations General Secretary, Prime Minister Hun Sen's wife, and Mrs. Monique Sihanouk.

In another development, Prince Sihanouk and his wife last night had a private talk with Prime Minister Hun Sen and all other members of the SNC from the State of Cambodia.

Prince Norodom Sihanouk highly valued the position full of compromise of the government of the State of Cambodia in finding a comprehensive political settlement of the Cambodia problem aimed at ending the suffering of the Cambodian people.

In his reply, Prime Minister Hun Sen expressed his satisfaction at the outcome of the meeting and said he was proud of the result since the Cambodian problem is being solved among the Cambodians themselves without outside interference.

Analysts Describe Khmer Rouge 'Concessions'

BK2606131191 Hong Kong AFP in English 1254 GMT 26 Jun 91

[Text] Pattaya, Thailand, June 26 (AFP)—The Khmer Rouge [KR], Cambodia's feared guerrilla group, appears to have been forced by military setbacks and diplomatic isolation to make concessions in the effort to bring peace to Cambodia.

In what analysts described as a determined bid to regain power, the radical Marxist group, deposed from power in January 1979 by a Vietnamese invasion, broke with its past inflexibility this week and compromised more than it ever has before.

While only weeks ago the Khmer Rouge, the most powerful force in a tripartite guerrilla coalition fighting Phnom Penh's Vietnam- backed government, abruptly broke a month-old truce, the first ever in the 12-year war, it immediately accepted a permanent ceasefire during this week's meeting of the Supreme National Council (SNC).

That in itself was a considerable retreat from its hitherto dogged insistence that peace could not come to Cambodia step by step but only in one fell swoop, through a comprehensive political and military settlement. In addition, the Khmer Rouge even agreed to accept an end to all foreign military assistance to the warring factions—in its case, from China.

In Hanoi, outgoing Vietnamese Foreign Minister Nguyen Co Thach promptly declared a "70 percent victory" for the Cambodian Government.

While Mr. Thach, reportedly in troubled political waters at home, may have been largely addressing himself to his own constituency, most analysts agree that his comment was valid.

The shift by the Khmer Rouge, the analysts said, resulted from setbacks on the battlefront, where its guerrillas, after initial successes in the months following Vietnam's September 1989 announced military pullout from Cambodia, have been largely unable to gain more ground.

Cambodian Prime Minister Hun Sen recently went so far as to boast that the Khmer Rouge was no longer a military force to be reckoned with, and officials from his government have said privately that the guerrillas should consider themselves lucky to have a ceasefire.

Analysts said those statements exaggerated Khmer Rouge weakness, but diplomats monitoring developments in Cambodia said the guerrillas' relatively poor showing on the battlefield is not the only problem facing the group.

There are signs, the diplomats said, that China has been putting pressure on it to compromise, and that formerly massive support for its Cambodian ally has been reduced.

But perhaps the most immediate pressure with which the Khmer Rouge has had to contend came from its uneasy ally, Prince Norodom Sihanouk.

With the clear intention of adding weight to suggestions that a change of alliances was not to be ruled out, the former monarch led Mr. Hun Sen to a group of photographers and raised his hand with a broad smile as the SNC meeting was ending Wednesday.

Still, Khmer Rouge concessions, including its agreement to the basing of the SNC in Phnom Penh, which will mark its first return to the Cambodian capital since 1979, have not touched on central issues which must be settled before a peace agreement can be reached.

For example, the SNC meeting here ended in disagreement over international monitoring of the ceasefire, which as a result is unlikely to remain anything more than a fragile truce.

The issue of monitoring is directly linked to the question of a future role of the United Nations in the peace process. But that, the Khmer Rouge still insists, is something which must result in the removal of Phnom Penh's pro-Vietnamese Government.

BANGKOK POST Reports Agreement, Results

BK2706014591 Bangkok BANGKOK POST in English 27 Jun 91 p 4

[Article: "It's Fragile, but a Breakthrough" by Phichai Chunsuksawat and Nattaya Chetchotirot in Phatthaya]

[Text] After over a decade of dashed hope, stalled negotiations and painfully slow progress, the substantive achievement of the Supreme National Council talks which ended here yesterday was certainly unexpected. Although there is no doubt that progress was achieved on a number of crucial points, the successes of the SNC meeting in Phatthaya remains fragile, yet it offers much more hope for the future of the region than what has been experienced in past years.

The result of the talks not only has different meanings for the individual Cambodian factions, but also for countries in the region and the superpowers involved in the conflict.

In a matter of two days, the Cambodians managed to agree to grant Prince Norodom Sihanouk the task of "convoking" the SNC and preside over its future meetings.

The SNC also agreed to implement an unlimited ceasefire and cessation of foreign arms supplies and to make Phnom Penh their headquarters..

Compared to past efforts, the achievements are remarkable and there is no doubt that the key factor for progress was Prince Norodom Sihanouk, who after making a crucial mistake of not attending the first SNC meeting in Jakarta, decided to become an active player once again.

"The leadership of Prince Sihanouk was a key to the success," said a Western diplomat at the talks.

Resistance sources added that once Prince Sihanouk decided to become involved, his main objective was to get the SNC "operational"—to make decisions which they did not achieve in the past.

When the prince said that he would act as a "bridge" among the factions, that he would be the "father" of all Cambodians, he made a conscious effort to do so.

In an attempt to illustrate this he visited the Khmer Rouge and Son Sann delegations on Monday night and planned to visit Hun Sen and the Sihanoukists headed by Prince Norodom Ranariddh the following night, Sihanoukist sources said.

One source said, however, that the prince, realising that he is the symbol of Cambodia and respected internationally, played his role to the fullest as far as the Khmer Rouge and the Phnom Penh government were concerned.

The prince gave the Khmer Rouge an option of either letting him go to Phnom Penh as an ordinary person and guest of Hun Sen or to go as chairman of the SNC meetings.

A decision to arrive in Phnom Penh as Norodom Sihanouk would not only lend credibility to the Heng Samrin government but would leave the Khmer Rouge unshielded and even more isolated.

For Phnom Penh, the arrival of the prince, even as convenor of the SNC, would gain them credibility at a time when their regime is facing severe economic problems and political exhaustion after a decade of impasse.

Throughout the meeting, there was no doubt that it was Sihanouk who conducted proceedings, made the comments on behalf of the SNC while the leaders of the three factions played it low-key. And when they did speak, it was to make some clarification.

What was clearly absent in Phatthaya were the separate press conferences accusing either side of breaking promises and countering arguments. By adopting this stance, the other Cambodian faction contributed by improving the atmosphere of the talks.

Apart from the prince's role and that of the other Cambodian delegates, one diplomat said "it is clear" that the convergence of foreign influences from China, Thailand and Vietnam played a role in the results. "These three countries displayed a strong intent that they are now prepared to exert their influence towards peace."

Another diplomat noted, however, that the Vietnamese ambassador to Thailand deliberately stayed away from proceedings until Tuesday night when the three key issues were resolved.

A Japanese diplomat played down the role of China but credited instead the role of Thailand.

"I don't think China played a direct key role. Not even the United States or Japan. It was Thailand. While not interfering, Thailand had the leverage and the position to continue encouraging the Cambodians towards a resolution," the diplomat said.

Sources said after yesterday's meeting that like Prince Sihanouk and China, Thailand's main hope for the talks was that the SNC would be operational.

During negotiations, whenever problems emerged, the sources said, Thai officials would be informed and consulted by the various factions. The officials would "assess" the problems and urge the Cambodians to consider possibilities.

One source believes that the determination to make the SNC operational had already been agreed upon by the Thai, Chinese and Cambodian factions.

While it is more difficult to give credit to respective players in Phatthaya, it is perhaps easier to assess the meaning of the Phatthaya SNC for Vietnam and Japan, which has just recently decided to become politically active in the region.

Vietnamese Ambassador to Thailand Nguyen Trung told the BANGKOK POST that the result of the meeting is not only meaningful for Vietnam but for all countries in the region.

"For Vietnam, Cambodia, Thailand and maybe Burma will now have a chance to cooperate and have development of our own," he said. Asked what the results meant as far as its ties with other nations are concerned, the ambassador said: "The very argument to break or to make some hindrance with relations with Vietnam would have no more ground."

One diplomat noted that the result of the SNC meeting should come as a "relief" for Vietnam as far as its efforts to normalise ties with the United States and China are concerned.

"The Vietnamese have been carrying the burden of Cambodia for such a long time. As far as normalisation is concerned, it has proven to be very difficult for it to separate the issue from bilateral ties with the US and China.

"A neutral Cambodia would be good for Thailand and Vietnam. Indonesia may be a little hurt but it is these two countries which have a direct interest.

"This will be solved very soon. Japan would benefit from being able to foster not only diplomatic ties but also closer economic cooperation," he said.

For the Cambodians, it is easy to make assessments as to who gain and who lost.

According to one Cambodian delegate, the fact that the SNC headquarters is to be established in Phnom Penh along with the United Nations representatives, the five permanent UN members, the members of the Paris Conference and ASEAN, is clearly a feather in the cap for Mr Hun Sen.

"Phnom Penh has gained the credibility and recognition it has long been waiting for," the delegate said.

"Even though the two governments are not dismantled, the fact that these countries will have missions in the capital means the de facto dismantling of the other side," the delegate added.

"This is why the Khmer Rouge felt they had to negotiate for two headquarters and the demand for guarantee, not only because they feared for their safety and inability to remain in contact with their areas of control."

But at the same time, however, the same delegate said that the Phnom Penh government faces the task of carrying out whatever arrangements are necessary to house the SNC delegates and the foreign missions.

More importantly, they have to explain to the Cambodian people how after killing a million people and being driven from the capital to the jungles along the border, the Khmer Rouge are now allowed to return.

The delegate said the Phnom Penh delegation also felt that they had conceded a major concession by not demanding the vice chairmanship of the SNC and allowing Prince Sihanouk to be convenor of the meetings.

But diplomats are quick to emphasise that it makes no sense to start tallying up the score, that in the end, the results so far can only benefit the Cambodian people as a whole.

Prince Norodom Sihanouk, despite moving swiftly back into the limelight and gaining considerable credit for his role over the past few days, needs to remember that he cannot afford to be discouraged by the even more difficult obstacles that lie ahead.

He cannot afford to take leave of absence any longer because if he does, he will never be able to return to the position he finds himself in now, and would lose all credibility internationally and among his people.

For the Cambodian factions and SNC members, there is the need to keep the common goal in mind despite the deep-rooted suspicions that remain following years of fighting.

The Cambodians have achieved a ceasefire and cessation of arms supplies—on paper. And while this is indeed a significant and substantial breakthrough, it remains fragile.

Japan

Plan To Send Envoy to Cambodian SNC Announced

OW2606132491 Tokyo KYODO in English 1259 GMT 26 Jun 91

[Text] Phatthaya, Thailand, June 26 KYODO—Japan will be among the first countries to send an envoy to the Cambodian Supreme National Council (SNC) as soon as the council is ready to receive credentials, a Japanese diplomat said Wednesday.

Yukio Imagawa, minister attached to the Japanese Embassy in Bangkok, announced his government's decision in an impromptu manner during a press conference by Prince Norodom Sihanouk, chairman of the SNC meeting.

Sihanouk held the press conference at the end of the three-day talks, which resulted in several consensus agreements among the rival factions, including the SNC embodying Cambodian sovereignty during the transitional period before general elections.

Sihanouk reportedly approached foreign diplomats, here to monitor the SNC meeting, during a dinner he hosted for them Tuesday to send envoys to the SNC at the opening of its Phnom Penh headquarters later this year, a source said.

Sihanouk reportedly approached diplomats from Australia, Japan, France, and Thailand.

In answering a question at the press conference, Sihanouk said so far only Australia had told him it would send an envoy to the SNC.

Imagawa suddenly stood up, raising his hand, and shouted "Japan also."

Sihanouk, though apparently startled by the Japanese diplomat's gesture, responded immediately with gratitude to Japan.

He then reiterated he would like to urge member countries of the Paris International Conference on Cambodia (PICC), an international forum that initiated peace efforts for the Cambodian conflict, to also be among the first to send envoys.

PICC involved 19 countries, including the five permanent members of the United Nations Security Council, the six members of the Association of Southeast Asian Nations (ASEAN), Vietnam, Japan, Australia, India, and others.

Sihanouk plans to return to Phnom Penh in November after more than 12 years in exile as de facto chairman of the SNC to receive foreign credentials and visit his people, he said.

Reportage on PRC's Qian Qichen Official Visit

Nakayama, Qian Hold Talks

OW2606140891 Tokyo KYODO in English 1354 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—Foreign Minister Taro Nakayama on Wednesday implicitly called on China to cease arms transfers to the Khmer Rouge Cambodian guerrilla faction, according to a top Foreign Ministry source.

The source said that in talks earlier in the day with Chinese Foreign Minister Qian Qichen, Nakayama urged China to convince the Khmer Rouge to adhere to an agreement reached among the four warring factions Monday to cease receiving foreign arms.

Nakayama said that Japan, in turn, will make efforts to convince the Vietnamese-installed Phnom Penh government also to abide by the agreement, the source said.

China is the main arms supplier of the Khmer Rouge, which possesses the strongest military force in the tripartite guerrilla coalition which has been fighting Phnom Penh forces for the last 12 years.

Qian said earlier this month during a visit to Indonesia that China has not provided arms to the Khmer Rouge since the five permanent members of the United Nations Security Council formulated a peace plan for Cambodia last August.

But Western intelligence has reportedly said Chinese arms have continued to flow to the Khmer Rouge since then.

Qian told reporters in Indonesia that the issue of military supplies "cannot be considered in an isolated way. It should be part of a comprehensive settlement."

Khmer Rouge head Khieu Samphan on Monday similarly tied an end of arms transfers to progress on a broader front.

Speaking at the three-day meeting of the four factions in the Thai resort of Phatthaya, the Khmer Rouge leader proclaimed "an end of outside military assistance under an effective supervision and control of the United Nations."

A Foreign Ministry source noted that "there is a long pipeline from China to Khmer Rouge."

"So when China claims it has already stopped the arms supply, the problem is at what point," the source said. "There might be something still in the pipeline."

Officials said earlier in the day that Qian told Nakayama that China would not object to a minimal modification of some parts of the comprehensive peace plan drafted by the permanent Security Council members last November.

But he added that China wants to ensure that the August agreement on a framework for peace, which has been consented to by all Cambodian factions, remains intact.

"A draft is a draft, so its possible to make amendments" the Chinese foreign minister was quoted as saying of the November peace blueprint.

The Phnom Penh government has refused to accept the November peace plan as it stands, demanding a reference to the Khmer Rouge's brutal rule of 1975-1977 and guarantees that the faction cannot take advantage of the peace process to seize power.

Officials noted that the two co-chair countries of the Paris International Peace Conference on Cambodia (PICC) Indonesia and France, made clear at a meeting with the four factions in Jakarta earlier this month the possibility of amending the November draft agreement.

The plan calls for an extensive UN administrative and peacekeeping role in Cambodia during a post-ceasefire period leading up to the holding of general elections.

Further on Talks

OW2606142991 Tokyo KYODO in English 1416 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—Chinese Foreign Minister Qian Qichen told former Deputy Prime Minister Shin Kanemaru on Wednesday that North Korea has begun efforts to open its doors to the world since Kanemaru visited Pyongyang last September.

Qian's meeting with Kanemaru was one of a series of talks with leaders of the ruling Liberal Democratic Party (LDP).

Qian told Kanemaru that North Korea has adopted pragmatic diplomatic policies recently.

Pyongyang's fresh foreign policies include announcements of its desire to apply for entry to the United Nations separate from South Korea, and to negotiate on the inspection of North Korean nuclear facilities by the Geneva-based International Atomic Energy Agency, LDP officials quoted Qian as saying.

Qian, who is on a four-day visit to Japan that began Tuesday, praised the LDP's chief power broker Kanemaru for his efforts to try to normalize relations between Japan and North Korea.

Kanemaru, leader of the LDP's strongest faction, was quoted as saying, "a normalization of relations between Tokyo and Pyongyang will contribute to peace and stability in Asia."

On China-Taiwan relations, Kanemaru said he wants to act as a bridge between Taipei and Beijing to pave the way for unifying China.

Before meeting Kanemaru, Qian told LDP Secretary General Keizo Obuchi that China gives top priority to improving relations with the United States.

Qian agreed with a suggestion by former Finance Minister Kiichi Miyazawa for China to try to show goodwill to the U.S. Congress in a bid to boost relations between the two countries.

Washington has had cool relations with Beijing since the Chinese Government crushed a student-led pro-democracy movement in Beijing's Tiananmen Square in June 1989.

Regarding the dispatch of a Japanese fleet of four minesweepers and two support vessels to the Persian Gulf, Qian said he understood Japan's position and supported its contribution to world peace.

In a meeting with Michio Watanabe, leader of the LDP's fourth biggest faction, Qian urged Japan should consult with China on investing in Taiwan as Beijing believes it is a delicate issue, LDP officials said.

The Chinese Foreign Minister told Watanabe that China cannot allow Japan to extend aid to Taiwan's military and aircraft industries.

Qian Interviewed on Ties

OW2606145191 Tokyo NHK General Television Network in Japanese 1238 GMT 26 Jun 91

[Interview with PRC Foreign Minister Qian Qichen at his quarters in Tokyo, by anchorman Tadashi Sonoda from the NHK Tokyo studio—live; from "NHK News 21" program; both speak in Mandarin with Japanese subtitles or superimposed simultaneous translation]

[Text] [Sonoda] I will now ask Foreign Minister Qian Qichen, who is at his quarters in Tokyo now, mainly about Japanese-Chinese relations and the Asian situation.

Prime Minister Kaifu is scheduled to visit China in August. How do you view the latest Japanese-Chinese relations?

[Qian] I am satisfied with the development of Sino-Japanese relations. Since the normalization of diplomatic relations our relations have been developing smoothly in all areas. Although some problems have cropped up recently, they have been overcome. The Sino-Japanese relationship, including that on the governmental level, is now on its way to recovery. Prime Minister Kaifu's visit to China in August is a very important event in Sino-Japanese relations. China is now preparing a warm welcome. We hope to make this a new start.

[Sonoda] With respect to the dispatch of Japanese minesweepers to the Gulf, China expressed concern. Japan is also considering sending the Self-Defense Force [SDF]

personnel overseas for UN peacekeeping operations. What do you think is the role that Japan should play in the world?

[Qian] In my opinion, if there is a role for Japan to play in the world, I think it is in the area of keeping peace. As a matter of fact, Japan has been playing a role in this area since the war because it has been taking peaceful measures. I do not think that the dispatch of the SDF overseas will serve this purpose. I am afraid it will instead produce an effect to the contrary.

[Sonoda] Foreign Minister Qian, today you made a formal request for His Majesty the Emperor to visit China. What do you think is the significance of the Emperor's visit to China?

[Qian] In the past, Chinese leaders have many times requested that His Majesty the Emperor and Her Majesty the Empress visit China. His Majesty the Emperor has also expressed his desire to visit China. His Majesty the Emperor's visit to China is a very significant event in Sino-Japanese relations. I think it will have an important, profound significance in the friendship between the peoples of China and Japan unto their most remote descendants.

[Sonoda] On the Korean peninsula question—while South Korea is approaching China and the Soviet Union, North Korea is also beginning to change its stand toward normalizing relations with Japan; and joining the United Nations at the same time South Korea does. Foreign Minister Qian Qichen visited North Korea shortly before coming to Japan.

Foreign Minister Qian visited North Korea only last week. How do you view the changes taking place in North Korea of late?

[Qian] What we are concerned about is how tensions on the Korean pensinsula can be eased and stability be restored to it. I think the recent moves show that the alleviation of tension is making progress. I welcome these moves. [Sonoda] South Korea and North Korea are expected to join the United Nations this coming autumn. What impact, do you think, this will have on developments in North-South Korea relations, Japan-North Korea relations or China-South Korea relations?

[Qian] I think it a positive development that South and North Korea plan to seek membership of the United Nations at the same time. I think it will have a favorable impact on the Korean peninsula as well as the United Nations. I think this creates good conditions for Japan-DPRK negotiations on the normalization of diplomatic relations. China has a trade office now opened in South Korea. This is because bilateral trade is increasing. But this is a private trade office.

[Sonoda] A Cambodian peace conference has been held in Thailand. What role will China play for peace in Cambodia?

[Qian] The Cambodian Supreme National Council meeting has been held, presided over by Prince Sihanouk. According to reports, some progress has been made. I welcome this. We hope that a few more issues will be solved in this meeting. China's hope is simply that Cambodia will become a nation which is independent, neutral, peaceful, and non-aligned.

[Sonoda] The next topic is U.S.-China relations. U.S. President Bush has shown a positive stand for the improvement of relations with China—for instance, deciding to extend the most-favored-nation status on China. But the U.S. Congress is taking a very cold attitude on grounds of human rights problems in China, and this is becoming a great obstacle to the normalization of political and economic relations between China and the United States.

The U.S. Congress is cautious about improving relations with China on the grounds of human rights problems. Do you think relations between the U.S. and China will improve in the future?

[Qian] China attaches very much importance to economic relations. China is the largest developing nation, and the United States is the largest developed nation. China and the United States should play big roles in the world, and there is no reason at all for them to confront each other. Favorable conditions should be created. It was a wise choice that President Bush decided to grant the extension of the most-favored-nation status to China. I think it will contribute to the improvement of China-U.S. relations. Regarding the fact that there are different views given at the U.S. Congress from that of President Bush's, I am not so familiar with the situation, but I think we should not be too concerned. I hope that communications and understanding will grow between China and the United States. These will make good contributions, I am sure.

[Sonoda] [Greetings in conclusion not translated]

[Qian] Thank you.

Qian on DPRK Nuclear Pact

OW2606162691 Tokyo KYODO in English 1511 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—Chinese Foreign Minister Qian Qichen told his Japanese counterpart, Taro Nakayama, on Wednesday that he is optimistic North Korea will conclude an agreement on international inspection of its nuclear facilities to ensure they are solely for peaceful use.

Qian, who arrived in Japan on Tuesday for a four-day official visit, held separate meetings with Nakayama, Finance Minister Ryutaro Hashimoto, and top officials of the ruling Liberal Democratic Party [LDP].

Nakayama told Qian that Japan welcomes Pyongyang's stated intention to conclude a nuclear safeguards agreement with the International Atomic Energy Agency

(IAEA) but it is unclear whether Pyongyang is willing to accept unconditional inspection.

Nakayama, calling North Korea's nuclear program a source of concern for the entire Asia-Pacific region, asked Beijing to use its influence on Pyongyang to ease that concern, Foreign Ministry officials said.

Qian merely replied Pyongyang has neither the ability nor the desire to produce nuclear weapons, the officials said.

Nakayama and Qian agreed that Prime Minister Toshiki Kaifu should visit China as planned August 10-13 and that the visit should represent a "new starting point" for bilateral ties.

Sino-Japanese relations were strained by the June 1989 military suppression of pro-democracy demonstrators in Beijing's Tiananmen Square but Tokyo has since unfrozen a massive aid package in a sign that it wants to improve ties.

Qian formally invited Emperor Akihito and Empress Michiko to visit China sometime during 1992, saying, "It would be a great event in the history of Sino-Japanese relations."

Foreign Ministry sources said China would like the imperial couple to visit in September 1992, the 20th anniversary of the restoration of Sino-Japanese diplomatic ties.

Nakayama called on China to exercise restraint and adhere to international agreements regarding its exports of weapons, including missiles, and urged it to join the Nuclear Nonproliferation Treaty (NPT).

Qian replied that China wants to ensure that any agreement covering arms transfers is "well-balanced," or nondiscriminatory.

Qian told Nakayama that NPT membership is still under study and will take a long time.

He also said China wants to resume negotiations over a new package of loans from the Export-Import Bank of Japan for resource development projects, separate from an 810 billion yen loan package to be provided between 1990 and 1995.

Japan has made 1 trillion yen in loans to China for resource development projects since 1979. Negotiations on the new loan request were suspended after the 1989 Tiananmen Square bloodshed.

In a meeting with Hashimoto, Qian made a similar request. Hashimoto responded positively, saying that negotiations are under way for the Export-Import Bank of Japan to provide yen loans for resources development.

The Chinese Foreign Minister told LDP Secretary General Keizo Obuchi that the top priority of Chinese foreign policy is to improve relations with the United States.

Qian told former Deputy Prime Minister Shin Kanemaru that North Korea has further opened its doors to international society since Kanemaru visited Pyongyang last September.

Pyongyang's flexible attitude is reflected in its recent announcements that it will apply for a seat in the United Nations separately from Seoul and that it is ready to conclude a pact providing for inspection of its nuclear facilities, LDP officials quoted Qian as telling Kanemaru.

Qian told senior LDP politician Michio Watanabe, meanwhile, that Japan should consult with China before investing in Taiwan, since Beijing sees the issue as a sensitive one.

The Chinese foreign minister told Watanabe that China cannot allow Japan to extend aid to Taiwan's military and aircraft industries.

Kaifu, Qian Discuss U.S.

OW2706052791 Tokyo KYODO in English 0517 GMT 27 Jun 91

[Text] Tokyo, June 26 KYODO—Prime Minister Toshiki Kaifu called on China Thursday to build a more stable relationship with the United States by compromising on several disputes, Foreign Ministry officials said.

Kaifu made the remarks in a 30-minute meeting with Chinese Foreign Minister Qian Qichen, who arrived in Japan Tuesday on a four-day visit, the officials said.

Kaifu was quoted as telling Qian that Japan desires stable ties between Beijing and Washington.

He pledged to help the U.S. more accurately assess the importance of China in the world and the correctness of its policy direction, but said China must make "efforts at compromise."

China-U.S. relations have been deteriorating because of disenchantment in Washington over China's human rights record, alleged copyright and trademark violations, 10 billion dollar trade surplus, and missile exports to the Middle East.

Officials said Qian thanked Japan for its help in improving ties between China and the West, including the U.S.

Beijing, he said, is engaged in a dialogue with Washington on a number of contentious issues, including trade, technology transfers, and arms control in the Middle East.

Qian said he hoped the dialogue will "play a positive role" in improving ties between the two countries.

The Chinese foreign minister said Beijing welcomed U.S. President George Bush's recent announcement he wanted to extend China's most-favored-nation (MFN) trade status, calling it "a wise and far-sighted decision."

Chinese Premier Li Peng has warned that relations with the U.S. would be severely harmed if the trade status is lifted.

The U.S. House of Representatives Ways and Means Committee Wednesday passed a strengthened bill to end the status, and the entire house is expected to vote on the bill about July 10.

Senate Democrats Tuesday unveiled a bill to grant a one-year extension of China's privileged trade status, which could be terminated if China sells missiles to Syria, Iran, or Pakistan.

Officials said Qian told Kaifu that Beijing intends to do its utmost to ensure that Kaifu's August 10-13 visit to China represents "new start" in Sino-Japanese relations.

Kaifu said he is pleased that bilateral ties are "moving forward step-by-step in a favorable direction" before September 1992, the 20th anniversary of the restoration of diplomatic relations between the two countries.

The premier said Japan will continue supporting China's policies of reform and an open door to the world.

Officials said Qian asked Kaifu to stress the importance of friendly Sino-Japanese relations and their regional ramifications when he attends the summit meeting of the seven major industrialized countries in London on July 15-17.

Kaifu pledged to try to convince Euro-Atlantic leaders in London to pay more attention to Asia and to adopt Japan's line of thinking about China.

Officials said Kaifu told Qian that the future of Hong Kong concerns Tokyo because of Japan's vast trade and investment links with the British colony.

Kaifu asked that Beijing ensure that Hong Kong's economic freedom and vitality will be maintained after its return to China in 1997.

Officials said he suggested to Qian that a stable and consistent Hong Kong policy would benefit China's reform and open-door policies, Sino-Japanese relations, and Sino-British relations.

Qian was quoted as saying he shares Kaifu's view. He said China envisages a stable and prosperous Hong Kong serving as a financial center.

Qian, Takeshita Discuss Youth Exchange

OW2706074691 Tokyo KYODO in English 0711 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Chinese Foreign Minister Qian Qichen and former Japanese Prime Minister Noboru Takeshita Thursday agreed on a plan to promote youth exchange programs between the two nations, political sources said.

The sources said Takeshita made the proposal at a meeting with Qian in Tokyo as part of efforts to improve bilateral relations.

"Such a youth exchange program is very beneficial for China-Japan friendship," Qian was quoted as telling Takeshita.

Qian has been in Tokyo on a four-day official visit since Tuesday.

According to Takeshita's plan, Japanese cities will invite youths to visit from Chinese cities with which they have sister-city relationships.

About 10 Chinese-language teachers also will be invited to Japan next year, the sources said.

Takeshita also suggested that Qian discuss the exchange plan with Home Affairs Minister Akira Fukida who is to visit China in July.

Qian on Joining Nuclear Treaty

OW2706111591 Tokyo KYODO in English 1102 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Chinese Foreign Minister Qian Qichen suggested Thursday that China may join the Nuclear Nonproliferation Treaty (NPT) in the near future.

Qian told reporters in a Shinkansen bullet train bound for Kyoto from Tokyo that China has not decided on joining but has been considering the matter.

"China sees the treaty is defective," Qian said. "There is a lack of restraint for improvement of nuclear weapons in quality and quantity.

"China has not proliferated nuclear weapons nor called for (proliferation). China's actions are not contradictory to the spirit of the NPT," he said.

Qian arrived in Japan on Tuesday for a four-day official visit.

Nakayama May Meet Bessmertnykh at ASEAN

OW2706130291 Tokyo KYODO in English 1248 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Foreign Minister Taro Nakayama may meet with his Soviet counterpart Aleksandr Bessmertnykh next month in Kuala Lumpur, a Foreign Ministry source indicated Thursday.

"I don't exclude the possibility," the source said, adding that it depends on whether Bessmertnykh decides to extend his stay in the Malaysian capital.

Bessmertnykh has been invited along with Chinese Foreign Minister Qian Qichen to attend as observers the opening session of the ASEAN Ministerial Meeting (AMM) of the six-member Association of Southeast Asian Nations (ASEAN), which lasts from July 19-20.

Nakayama, meanwhile, is scheduled to arrive in Kuala Lumpur around July 20 to attend the ASEAN Post Ministerial Conference (PMC), which is to be held on July 22-24.

The PMC is a forum for talks between the six ASEAN foreign ministers and their so-called "dialogue partners"—Japan, the United States, the European Community, Canada, Australia, New Zealand, and South Korea. ASEAN groups Malaysia, Thailand, Indonesia, the Philippines, Singapore, and Brunei.

Malaysian officials have said Bessmertnykh has indicated his eagerness to attend the AMM's opening session. Qian, meanwhile, said earlier this month that he will attend.

Officials would not comment on whether talks are anticipated between Nakayama and Qian, who met Wednesday in Tokyo.

The Japanese sources said that not only Nakayama, but U.S. Secretary of State James Baker and others would probably want to take advantage of the occasion to meet with the Soviet Foreign Minister.

Both the Soviet Union and China have indicated they wish to become ASEAN dialogue partners, but Japan has opposed the idea.

Environment Chief Criticizes U.S. Lifestyle

OW2706090691 Tokyo KYODO in English 0846 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Environment Agency Director General Kazuo Aichi criticized Americans on Thursday for their excessive resource-guzzling lifestyle and called for sacrifices to help curb environmental destruction, while reducing the budget deficit.

Americans make up just 5 percent of the world population but produce 23 percent of the world's carbon dioxide, a major factor contributing to global warming, the state minister told a luncheon at the Foreign Correspondents Club of Japan.

The huge U.S. budget deficit is also "clear proof that the (American) lifestyle requires reorientation," Aichi said. He suggested that Washington start by raising the price of gasoline, saying the U.S. must "experience pain" if it is to become more environmentally friendly.

The minister declined to offer further advice, saying it could be regarded as interference in U.S. domestic affairs.

Aichi depicted Japan as an up-and-coming leader in world environmental affairs that could help bridge disputes between developing and industrialized nations on who should bear the economic burden of caring for the environment. He said Japan would be ideal for the role due to its own experience in overcoming pollution diseases that spread in the 1960s and 1970s while the country was rushing to develop.

But he conceded that many Japanese developers have exhibited a "lack of consideration and concern" for the natural environment, and that the environment agency remains a weak force in the government, even in its 20th year.

Japan has angered environmentalists both at home and abroad with a number of development projects that threaten to destroy rare natural features, such as an unusual coral reef in the southern prefecture of Okinawa.

Japan has yet to introduce a national law requiring environmental assessments before projects are built due to opposition by the well- connected construction lobby.

MITI Official on U.S. Auto Parts Talks

OW2706081691 Tokyo KYODO in English 0757 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Japan and the United States will hold high-level talks on auto parts, known as the Market- Oriented Sector-Selective (MOSS) talks in Tokyo on July 22 and 23, Vice Minister of International Trade and Industry [MITI] Yuji Tanahashi said Thursday.

He said the U.S. wants to talk about Japan's "keiretsu" system, or interlocking business groupings, in relation to purchases of auto parts by Japanese automakers.

But Tanahashi said he believes the issue of increasing Japan's imports of U.S. cars should be discussed separately from the MOSS talks.

The MOSS process is designed to remove impediments in markets, but Tanahashi said the car issue has nothing to do with market impediments.

However, since U.S. negotiators come to Tokyo, Japan will agree to talk about the issue as well, he said.

Michael Farren, U.S. undersecretary of commerce for international trade, will lead the U.S. team, while Noboru Hatakeyama, vice MITI minister for international affairs, will head the Japanese side.

The talks may be extended to July 24 if necessary, Tanahashi said.

Honda Denies Report on U.S. Tax Evasion

OW2606142791 Tokyo KYODO in English 1404 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—Honda Motor Co. Wednesday denied a U.S. news report that the Japanese automaker skirted U.S. customs duties on its cars imported from Canada.

Earlier this month, the NEW YORK TIMES reported U.S. customs authorities had concluded that Honda took improper advantage of the U.S.-Canada Free Trade Agreement to avoid paying millions of dollars in duties on its cars imported into the United States.

Under the agreement, the cars could be brought into the U.S. from Canada without paying U.S. tariffs if half their value comes from parts and labor originating in North America.

Speaking at a press conference, Vice President Yoshihide Munekuni said his company has fulfilled the local content requirements for free tariff treatment, but noted that there might be differences in views on the content of parts used in the cars.

The Customs Service was reported to have found that 62 percent of the costs of Honda cars from Canada originated outside North America and to be intending to collect 20 million dollars on the Honda cars in question.

Munekuni said that Honda has received a letter from the U.S. Customs Service stating it has yet to conclude its audit and expressing deep regret over the leak of information as seen in the U.S. report.

But the letter, sent under the name of Customs Commissioner Carol B. Hallett, did not say whether the news report was accurate or not.

Imports of Honda cars built in Canada to the U.S. totaled 69,000 units in 1989 and 78,000 units in 1990.

South African Minister on Lifting of Sanctions

OW2706102491 Tokyo KYODO in English 1008 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—A South African cabinet minister said Thursday he expects Japan and other nations to lift economic sanctions against his country as early as next month.

Pretoria has released all political prisoners, clearing the last hurdle stipulated by the United States for ending economic sanctions, said D.J. de Villiers, minister of public enterprises and economic coordination, interviewed by KYODO NEWS SERVICE.

The African National Congress, however, contends that hundreds of political prisoners remain behind bars, and de Villiers confirmed that some 200 disputed cases are being discussed with the black nationalist organization.

"U.S. President (George) Bush is just clarifying the position, and (the U.S.) should move early in July," De Villiers said. He said he expects Japan to follow suit, as the Japanese Government "wouldn't like to be conspicuous by not acting as other leading countries in the world."

De Villiers played down the economic significance of the abolition of sanctions as "more a perceptive thing than anything else" since Pretoria's main trading partners in Europe have already resumed normal business relations.

De Villiers, here on a private four-day visit, said he was pleased with the warm reception he received in meetings with business leaders and government officials.

He said he hopes to see trade and diplomatic ties with Japan strengthened following the repeal of sanctions.

Japan was South Africa's leading trade partner in 1987, but two- way trade dropped from 4.12 billion dollars that year to 3.32 billion dollars in 1990 after the government asked businesses to restrict their activities.

De Villiers said he touched on the question of upgrading diplomatic relations in meetings with parliamentary Vice Foreign Minister Muneo Suzuki and other government and business officials.

The two countries opened consular level relations in 1952, but Japan later declined to exchange embassies due to South Africa's apartheid policy of racial segregation.

Last week the South African Parliament scrapped three remaining laws that upheld the system of racial segregation, although the nation's black majority is still denied the right to vote.

De Villiers also met with International Trade and Industry Minister Eiichi Nakao during his visit in the first ministerial contact since relations soured in 1986.

He left for Singapore on Thursday and is to visit Hong Kong before returning home on Cathay Pacific Airways' inaugural flight to South Africa, scheduled for July 3.

Nippon Steel, Sumitomo Win Indonesian Project

OW2706095891 Tokyo KYODO in English 0940 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Nippon Steel Corp. has won part of a gas pipeline project in Indonesia jointly with major trading house Sumitomo Corp., officials of the major steelmaker said Thursday.

The two Japanese companies were awarded by Trans Javagas pipeline with a 300 million dollar contract to lay a 430 kilometer pipeline between gas fields around Pagerungan, northeast of Bali, and Gresik, an industrial district in Surabaya.

They will also construct four land stations for the project, called the east Java gas pipeline project.

The construction, expected to start at the end of the year, will be completed in the summer of 1993, the officials said.

Cut in Rice Purchase Price by 1-2% Considered

OW2706110291 Tokyo KYODO in English 1054 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—The government Thursday began to consider cutting its rice purchase price by 1 to 2 percent to narrow the gap between domestic and overseas rice prices, officials said.

They said the proposed cut in the price at which the government buys the 1991 crop of rice from farmers is intended to comply with the goal of the General Agreement on Tariffs and Trade (GATT) to eliminate protectionist measures.

The government move came after the Rice Price Council, an advisory body to the Minister of Agriculture, Forestry, and Fisheries, started deliberations on the rice pricing formula.

This would be the second cut in the rice price in two years.

Officials said the agriculture, forestry, and fisheries ministry and the Finance Ministry would like to cut the price by 2-3 percent at least but farmers' groups are opposing such cuts.

The government, facing opposition from farmers, is likely to settle for a price cut of 1-2 percent, government sources said.

The Rice Price Council is scheduled to start discussions on the 1991 rice price July 3.

Officials expect the discussions to be preceded by all-night negotiations on the issue July 2-3 between the government and the ruling Liberal Democratic Party.

Farmers' groups are demanding that the rice price be kept at the same level as last year, citing rising prices and wages.

Some 5,000 rice farmers are expected to rally at the Tokyo Dome Baseball Park July 1 to oppose an opening of the rice market.

Earlier Thursday, Motoji Kondo, the agriculture, forestry, and fisheries minister, told the Rice Price Council that Japan will maintain its policy of food security.

"I will continue to make efforts under the fundamental policy that Japan remains self-sufficient in rice," Kondo said, referring to the stalled farm trade talks of the Uruguay Round held under GATT.

Agriculture Minister on Food Security Policy

OW2706071991 Tokyo KYODO in English 0656 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Japan will maintain its food security policy, Minister of Agriculture, Forestry, and Fisheries Motoji Kondo said before the Rice Price Council on Thursday, defying speculation that Japan will open its rice market.

"I will continue to make efforts under the fundamental policy that Japan remains self-sufficient in rice," Kondo said, referring to the stalled farm talks of the Uruguay Round held under the General Agreement on Tariffs and Trade (GATT).

The farm minister said the proposals made recently by GATT Director General Arthur Dunkel "differed in some parts from Japan's views but in principle, it included our assertion (food security policy)."

The Rice Price Council, an advisory body to the farm minister, is expected to focus its two-day meeting on the pricing formula for rice and the issue of liberalizing the rice market.

The government is considering a reduction in a rice price, at which the government buys from rice producers, the second one in two years, to narrow the gap between domestic prices and those in other countries, in an effort to comply with the GATT's goal of eliminating protectionary measures.

Further Reportage on Nomura Trading Scandal

OW2706002491 Tokyo KYODO in English 0008 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Nomura Securities Co. used favorable relative trading after the bond market closed to compensate the Pension Welfare Service Public Corp., an affiliate of the Health and Welfare Ministry, for market losses, the YOMIURI SHIMBUN reported Thursday.

Nomura was reported Sunday to have repaid the corporation for about 5 billion yen in bond market losses from 1988 through 1990.

The newspaper said Nomura manipulated trading by selling Japanese Government bonds and other bonds to the corporation when the prices hit the low or buying them back at the highest prices, reflecting each day's price fluctuations after the closing of the day's market.

While the corporation has denied being compensated by Nomura, the National Tax Administration Agency seems to have obtained enough evidence to break its claims, the YOMIURI said.

Finance Ministry Investigates

OW2606210691 Tokyo KYODO in English 1438 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—The Finance Ministry is investigating suspected unfair sales practices by Nomura Securities Co. in connection with huge purchases of railroad company stock by the former leader of an underground crime syndicate, ministry sources said Wednesday.

The sources said the ministry is looking into allegations that Nomura violated an administrative instruction given in 1974 that restricts securities houses from providing investors with stock information leading them to buy specific stocks.

Nomura is alleged to have issued a strong buy recommendation on Tokyu Corp. When Sumumu Ishii, ex-leader of the Inagawa-Kai underground syndicate, bought up the railroad company stock in 1989.

The price of shares in Tokyu jumped to a record high of 3,060 yen on November 17, 1989, from around 1,900 yen in the summer of that year. Nomura allegedly tried to push up the price after Ishii made huge purchases of the stock.

Nomura was also reported to have arranged loans of more than 20 billion yen to Ishii when the stock price hit the record high.

A senior official at the Finance Ministry's Securities Bureau said data about stock deals in Tokyu showed Nomura's deep involvement in the transactions and suggested Nomura's violation of the administrative guideline.

But the official, who spoke on condition of anonymity, said there has been no clear evidence of stock price manipulation by Nomura.

An official for Nomura acknowledged that his company recommended the railroad company stock, but denied allegations of a link between Nomura and Ishii's huge purchases of the stock.

"It's true that there were big deals in the stock, but that was because salesmen usually handled a stock from which big margins are expected. There was no intention (of pushing up the price)," he said.

Nomura has been under fire for compensating favored clients for losses on stock and bond investment and arranging loans to Ishii, forcing the firm's president to announce his resignation on Monday.

Nomura Securities Co., Nikko Securities Co., Daiwa Securities Co., and Yamaichi Securities Co. have all reportedly been involved in the recently surfacing scandal.

The ministry will advise against discretionary transactions in which clients completely entrust fund management to securities companies, the official said.

In respect to amending Japan's securities and exchange law, the official added, the government will consider whether the compensation issue is suitable to be legally bound.

The law bans firms from wooing clients by guaranteeing compensation for possible losses they might incur, but compensation itself without such a "promise" does not violate the act.

It has hitherto been checked only by a nonbinding notice from the ministry in 1989 advising securities firms not to compensate clients' losses.

The issue will be studied along with the potential modification of the law to proceed with reforms in the financial sector, but the official said the two will be treated differently.

The official also denounced the suspected business between Nomura, Nikko, and gangsters, saying that such matters should be tackled by the whole securities industry.

Official on 'Questionable' Transactions

OW2606132791 Tokyo KYODO in English 1252 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—The Finance Ministry will take nonlegislative measures against questionable financial transactions for the time being, such as advisory notifications, a senior ministry official said Wednesday.

The statement comes in connection with the 65 billion yen compensation made by Japan's "big four" securities houses to their key clients in order to cover their losses in securities investments during 1987-1990.

FTC Launches Probe Into Cable Cartel

OW2606134891 Tokyo KYODO in English 1203 GMT 26 Jun 91

[Text] Osaka, June 26 KYODO—The Fair Trade Commission [FTC] has launched a probe into an illicit cartel formed by six major Japanese electric wire and cable makers to receive orders from Tohoku Electric Power Co., informed sources said Wednesday.

A copy of the cartel agreement obtained by KYODO News Service showed how the six firms rigged bids in order to evenly divide their shares of supplies for Tohoku Electric's five electric transmission projects between 1986 and 1988.

The six firms involved in the unfair practice were Furukawa Electric Co., Sumitomo Electric Industries Ltd., Hitachi Cable Ltd., Fujikura Ltd., Mitsubishi Cable Industries Ltd. and Showa Electric Wire and Cable Co.

The document was apparently designed to win bids at profitable prices and evenly divide supplies among the six parties.

Under the agreement, the six companies submitted their bids on the basis of the standard prices they submitted to electric power companies in 1981.

The document divided orders to be placed by Tohoku Electric into four categories according to their value and set rules for dividing supplies among the six firms in each category.

Most of the orders placed by Tohoku Electric for the five projects exceeded 50 million yen.

The document showed that the six firms decided the bid winner in advance and the winning company allocated required products to its five other partners.

Other documents obtained by KYODO showed that orders placed by Tohoku Electric for the five projects totaled an estimated 370 million yen.

This type of bid-rigging practice, which has been common in Japan, has come under strong criticism from the United States as a form of nontariff barrier hindering U.S. access to the Japanese market.

This unfair practice, known in Japan as "dango," was a main subject of discussion at the recent Japan-U.S. Structural Impediments Initiative (SII) follow-up talks.

Bank To Scrap Bank Lending Restrictions

OW2706120191 Tokyo KYODO in English 1155 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—The Bank of Japan (BOJ) will scrap its bank lending restrictions, one of the principal monetary policy tools of the central bank, starting with the July-September quarter, a BOJ official said Thursday.

The BOJ will allow each bank to decide on lending amounts according to its own lending plans, the official said.

The central bank will not issue any restrictive instructions again concerning the amount of commercial banks' lending, the official said.

"Banks are now on their own with regard to how much money they lend out," he said.

The official cited as reasons for the decision the progress in deregulation in the Japanese financial market, the recent wariness of lending by Japanese banks, and restrictions slapped down by the bank for international settlements [BIS].

The BOJ's decision to eliminate bank lending restrictions—called "madoguchi-shido" (window guidance) in Japanese—came as little surprise to Japan's major banks.

They are in the midst of contracting their assets to meet the BIS requirement that international banks have capital equal to 8 percent of their risk-adjusted assets by March 31, 1993.

That means major Japanese banks keep on hand capital—cash, stock and other strictly defined holdings—equivalent to roughly 8 percent of their total assets, including loans.

The BIS rule imposes strong pressure on Japanese banks against ballooning their lendings.

This has apparently made the BOJ much less concerned that commercial banks' excessive lending could create another speculation bubble or inflationary pressures.

The BOJ's move was also prompted by the developing short-term money market where the central bank can control interest rates fairly well.

The BOJ will have only to allow the short-term rate to go higher to put a dampening effect on bank lending.

The removal of the quantitative restrictions will make the central bank dependent primarily on interest rate policy in implementing its monetary stance.

Experts are agreed the scrapping of the restrictions will cause no sharp upsurge in bank lending.

"I don't think the move will have a measurable impact on our lending policy," an official of a major commercial bank said.

"We now have to focus on the quality of loans rather than the quantity," he said.

Other analysts point out that the move was motivated to help small companies that are having liquidity trouble.

"The BOJ's decision is designed in part to give major banks more leeway in lending to small companies," said an analyst for INTERNATIONAL FINANCING REVIEW, a financial weekly well-read among bond dealers.

"There has been criticism, especially from the Ministry of International Trade and Industry (MITI), that the lending restrictions are unfair to small companies," he said.

"Anyway, madoguchi-shido has never been quite effective, and it is obvious that the BOJ doesn't need it any more," he argued.

But the analyst is doubtful that the central bank will completely give up any "administrative guidance" to commercial banks in terms of lending.

"The central bank will mobilize some form of informal guidance," he said.

An official of a major commercial bank concurred, saying "it remains to be seen whether the BOJ will really give us a free hand in lending."

The BOJ is not concerned that the step will create major expectations about an easy credit policy, a BOJ official said.

The major commercial banks with a nationwide network of retail outlets, called city banks, are expected to increase their loans in the July-September period by 5 percent less than their increase margin in the same period last year.

The lending restrictions by the BOJ, which are designed to control bank loans for each quarter, were first introduced in 1957 as a means of implementing the central bank's monetary policy.

But the instrument has been criticized for hampering free competition among banks.

It has also been under fire from overseas for rendering the Japanese financial system much less transparent than those in other industrial countries, which have no such restrictions whose legal justification is questionable.

In this sense, the BOJ's latest move is intended to help bring the Japanese financial system more into line with those in other industrial economies, industry analysts said.

Kaifu, Officials Discuss 1992 Budget

OW2606130191 Tokyo KYODO in English 1133 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—Prime Minister Toshiki Kaifu instructed top budget officials Wednesday to outline a ceiling on fiscal 1992 budget requests so that his cabinet can endorse the guidelines on July 5, Finance Ministry officials said.

Kaifu gave the instruction when he met Vice Finance Minister Hiroshi Yasuda and Jiro Saito, director general of the Finance Ministry's Budget Bureau, they said.

Setting a ceiling on budget requests marks a first step by Kaifu's cabinet toward preparing the nation's budget for fiscal 1992 starting next April.

Yasuda and Saito told Kaifu that their ministry has no intention of changing its austere fiscal policy, especially since state tax revenues are expected to fall. Kaifu reportedly agreed with the retention of a tight fiscal policy.

The Finance Ministry is to negotiate with other government ministries and agencies over a ceiling on budget requests and adopt a broad outline for it on Friday.

The cabinet's official adoption of the ceiling will pave the way for government ministries and agencies to submit budget requests to the Finance Ministry by the end of August. On the basis of these requests, the Finance Ministry is to draft a blueprint for the fiscal 1992 budget, probably by the end of December.

Defense Chief Negative About SDF in USSR

OW2606135091 Tokyo NHK General Television Network in Japanse 1000 GMT 26 Jun 91

[Text] At a press conference in Sapporo, Defense Agency Director General Ikeda explained his view that it is still too early to send senior Self-Defense Force officers to observe military exercises in the Soviet Union, as long as the Soviets persist in their basic position in the military field. The exercises he was referring to are scheduled to be held off the coast of Vladivostok in August this year. Mr. Ikeda said that although the Soviet military capability in the Asia-Pacific region had been reduced, its equipment is so modern that disarmament in the Far East cannot be compared with that in Europe.

Draft Plan Proposes SDF Role in UN Forces

OW2606135891 Tokyo KYODO in English 1335 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—Members of the Self-Defense Forces (SDF) would be allowed to participate in UN peacekeeping forces under a draft government plan for a Japanese "International Peace Cooperation Corps," government sources said Wednesday.

Under the plan, SDF members would be able to take part in both logistics units and the main contingents of UN peacekeeping forces.

Government sources said they were concerned other countries would not see Japan's contribution as meaningful if its personnel were restricted to a ceasefire monitoring role and barred from peacekeeping forces, as some have proposed.

The corps would be dispatched only at the request of the United Nations, and with the approval of the Japanese Diet and the countries requesting UN peacekeepers, the plan said.

Japan could also send the corps to help refugees in war-torn areas under the plan. Current law authorizes the overseas dispatch of Japanese relief personnel only in case of natural disasters.

The government hopes to submit a bill setting up the "Peace Cooperation Corps" to an extraordinary Diet session scheduled in August after briefing the ruling Liberal Democratic Party and two opposition parties—Komeito and the Democratic Socialist Party (DSP)—on the plan.

Komeito has yet to approve the SDF's participation in international peacekeeping operations, but the DSP seems prepared to give its consent.

Kaifu Seeks LDP Support for Political Reform

OW2706074891 Tokyo KYODO in English 0735 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Prime Minister Toshiki Kaifu on Thursday called on the ruling Liberal Democratic Party [LDP] to approve a package of draft political reform bills.

He told a meeting of the party's research commission on the election system, "I want to get the approval of the party and launch positive discussions in the Diet."

Kaifu also reiterated his desire to convene an extraordinary session of the Diet as soon as possible to debate the reform bills.

Commission members discussed three draft reform bills which the government has drawn up based on outlines approved by the party on May 31.

The LDP's highest decision-making body, the Executive Council, is expected to approve the draft package fray, according to party sources.

The proposals would drastically overhaul the nation's electoral system, introducing a mixture of single-seat electoral districts and proportional representation. They would also tighten controls on political funds.

The draft bills would cut the number of seats in the powerful house of representatives to 471 from the present 512. There would be 300 single-seat constituencies under the proposals, with the remaining 171 seats chosen through a proportional representation system.

There are now 130 constituencies nationwide, with three to five seats each. A government advisory panel submitted a draft Tuesday on redrawing electoral districts.

On fund-raising, the reform proposals call for providing 30 million yen in election subsidies from the national coffers.

NKK, Convex Computer Link Up With Supercomputer

OW2606134791 Tokyo KYODO in English 1144 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—NKK Corp., a Japanese steelmaker, has linked up with U.S.-based Convex Computer Corp. to begin marketing a supercomputer worldwide, company officials said Wednesday.

Both companies will begin shipments of the jointly-developed preemptor 5000 series machines in April 1992, officials said.

NKK has been rapidly diversifying into different businesses such as electronics, chemicals and computers over the past few years.

The Unix-based machines comprise one to eight processors, including a state-of-the-art model which can perform 800 million floating point operations per second (FLOPS), a measurement used to gauge a computer's performance.

Supercomputers are machines mainly used by scientists and engineers to perform weather forecasting, simulations, airplane and car design and other scientific and engineering applications that require high-speed calculations.

NKK will have exclusive marketing rights in Japan, while Convex will market the machines elsewhere, officials said.

The machines will have a price tag ranging from 50 million yen to over 100 million yen, the officials said.

NKK expects to sell 20 systems in Japan in the initial year, while Convex forecasts its own sales to reach 50 machines, they said.

Convex held a 9.9 percent share of the world's supercomputer market in 1990. The company had factory revenues of 170 million dollars, according to Dataquest.

NTT Develops New Optical Memory Chip

OW2506122991 Tokyo KYODO in English 1200 GMT 25 Jun 91

[Text] Tokyo, June 25 (KYODO)—Nippon Telegraph and Telephone Corp. (NTT) announced Tuesday the development of an optical chip which it claims is the world's first to operate constantly at room temperature, paving the way for production of ultra compact telecommunications equipment.

The device, in which different types of optical materials are built on a silicon wafer, allows data transmission at a speed one thousand times faster than currently available chips, NTT said.

The telecommunications giant said the chip remains operational for more than one thousand hours.

Because of technical problems, current optical chips can work at room temperature for just over 10 hours at the longest.

NTT said it plans to put the new chip in practical use in seven to eight years.

Toshiba Unveils Office Computer System

OW2606094291 Tokyo KYODO in English 0811 GMT 26 Jun 91

[Text] Tokyo, June 26 KYODO—Toshiba Corp. unveiled new models of its mid-range office computer system for the Japanese domestic market, company officials said Wednesday.

Officials said the new six models in the TP-90 series will be ideal for a wide range of users ranging from general offices

and trading companies to financial institutions for performing transaction processing and telecommunications.

The new models come packed with a better computing performance than the TP-90 versions introduced last year and provide a total distributing data processing environment, a system of computers connected by a communications network.

The officials said shipments will begin in July.

The computers will not be sold overseas, the officials said.

The six models will have a price range from 600,000 yen to about 4.8 million yen, they said.

Toshiba Develops Conductor Cooling System

OW2406132391 Tokyo KYODO in English 0821 GMT 24 Jun 91

[Text] Tokyo, June 24 KYODO—Toshiba Corp. said Monday it has developed a new material to preserve temperatures in small liquid helium refrigerators used in magnetic resonance imaging diagnostics and semiconductor equipment.

The new material, called Erbium-3 nickel, will enable small-type refrigerators to maintain temperatures below minus 263 degrees centigrade, retard liquid helium vaporization, and reduce costs for superconducting systems, officials said.

In conventional small liquid helium refrigerators, lead and copper formed regenerators have made it difficult to keep temperatures at 263 degrees below zero and retard vaporization because of surrounding heat in the superconducting system.

Liquid helium is used as a coolant to enable superconductors to reach a superconducting state in which the metals lose nearly all resistance to the flow of electricity. A regenerator is a compound metal used to hold and preserve chilled temperatures in superconducting systems.

Officials said Toshiba researchers solved the problem by devising an Erbium-3 nickel-based spherical regenerator which was able to maintain a maximum cooled temperature of 270.5 degrees below zero, much lower than conventional regenerators.

The new material is expected to be applied to new semiconductor manufacturing equipment, microelectronic devices, magnetic- levitation trains, and helium liquefiers, officials said.

Toshiba will start sample shipments of the material on July 1, officials said.

Proposal To Abolish Atomic Plants Rejected

OW2706121591 Tokyo KYODO in English 1208 GMT 27 Jun 91

[Text] Osaka, June 27 KYODO—The president of Kansai Electric Power Co. on Thursday rejected proposals by a group of shareholders to abolish atomic power plants and said the company would maintain them as one of its main power supply sources.

Seiji Morii made the remark at a news conference in the wake of the firm's annual general meeting of shareholders, in which the campaigners proposed the abolition of atomic power plants as a group of shareholders in the firm.

Morii said if the company is to fulfill its responsibility as a supplier of electricity amid the prevailing energy situation, the proposal cannot be accepted.

The president also said he has no intention of quitting his post over the accident which occurred earlier in the year at the Mihama atomic power plant.

He said he would make every effort to restore the public faith the firm lost as a result of the accident.

North Korea

North Delegates for Talks Issue Press Statement

SK2706051191 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 26 Jun 91

[Press statement issued by the spokesman of the North side's delegation to the North-South high-level talks—read by announcer]

[Text] A press statement of the spokesman of the North side's delegation of the North-South high-level talks:

It has been nearly a half year since the North-South high-level talks were suspended owing to the provocative Team Spirit joint military exercise.

To resume the talks as soon as possible, we have repeatedly prompted the South side to change its antireunification and antidialogue attitude, and have expected it to positively respond.

However, more openly sticking to splittist moves against the desire of the entire fellow countrymen hoping for dialogue and reunification, the South Korean authorities have created stumbling blocks to the North-South high-level talks.

The South Korean authorities made a brutal bloody situation under the circumstances of a security-oriented rule reeking of murder. What is worse, it recently reimprisoned aged Rev. Mun Ik-hwan, a patriotic figure who visited the North, eight months after he was released.

They brand youths, students, and the people who are rising up in the righteous struggle against fascism and for democracy as left-wing, procommunist forces, by groundlessly linking them with the North. In addition, they are even preposterously carrying out a farce against communism and the North by talking about a report on an espionage suspect and about a special public information period.

The frantic anticommunist and anti-North hysteria reminds us of the excessive response of those who are frightened at the aged reverend's words and activities. In addition, this reminds us of the terminal stage of preceding military fascist dictators who died an early death. This shows the seriousness of the crisis facing current rulers.

We cannot but, with deep apprehension, pay close attention to the South Korean authorities finding a way out of their political crisis and dilemma in an artificial anticommunist and confrontational fuss.

If the South Korean authorities assume the attitude of sacrificing North-South relations to keep their power, the existence of the South Korean authorities itself cannot but be a stumbling block to reunification. Thus, the existence of the South Korean authorities cannot be consistent with the reunification of the country. This is the very point that today the South Korean authorities show us through their anachronistic anticommunist, fascist, anticommunist, and confrontation policy.

Indeed, we cannot but be surprised at and angered by the brazen-faced spirit of the South Korean authorities babbling about dialogue and reunification, while revealing themselves as those whose policies are not consistent with the reunification of the country.

In particular, what cannot be tolerated in the recent trend of the South Korean authorities in connection with the issue concerning reunification is their allusion to the German-type absorption reunification.

According to a report, it is said that on 17 June, the top person in authority of South Korea chaired a meeting of ministers concerned with reunification, directed them to study reunified Germany, and stressed that they must be thoroughly prepared for reunification. It is clear what is meant by his remarks.

Already in the second and third round of the North-South high-level talks, we warned of the South Korean side trying to follow another country's reunification method. In particular, we duly warned them about this theory of reunification by absorption.

Nonetheless, the top person in authority of South Korea, in the meeting of ministers concerned with reunification, openly directed them to study Germany's absorption method of reunification and to be prepared for such reunification. Indeed, this would be preposterous.

The theory of reunification by absorption is a variation of the theory of reunification by winning victory over communism, which was bankrupted long ago.

Of course, it is a problem that even today, the South Korean authorities, who adhere to the illusion of reunification by winning over communism, tries to copy another country's reunification way which is inapplicable to our country. But, what dialogue on earth can be held and what agreement can be reached with the South Korean authorities trying to achieve reunification by means of swallowing the partner?. This is a more serious problem.

Seeking to achieve reunification by absorption and reunification by winning over communism is an extremely provocative and antinational crime, which excludes dialogue with the partner and any agreement for reunification.

In spite of this, if the South Korean authorities persistently follow this road, they should be held entirely responsible for rupturing the high-level talks for good and for delaying settling the issue of reunification.

In order to resume the high-level talks as soon as possible and to open a new phase in settling issues concerning reunification, we once again strongly encourage the South Korean authorities to basically mend their antireunification and antidialogue attitude.

If the South Korean authorities have the intention of achieving reunification, they should not fall into self contradiction—using anticommunist and confrontation policy as a means to keep their power. They should abandon their absurd ambition of achieving reunification by victory. In addition, they should accept reunification by way of an aboveboard confederation system which is not a matter of one side conquering the other side and vice versa.

The change of attitude should, above all, be expressed in abrogating antinational and splittist state policy against communism, in rescinding the National Security Law, and in releasing all patriotic figures who ever visited the North and discussed the issue of reunification with us in overseas meetings.

Along with this, the South Korean authorities should stop the Team Spirit joint military exercise, and should no longer hesitate to accept a North-South nonaggression declaration.

Without showing such an attitude change, no matter how loudly the South Korean authorities may babble about dialogue and reunification, no one will believe their trust. Rather, all fellow countrymen will spit on their double-dealing attitude of saying one thing and doing another.

Now, it depends entirely upon the attitude of the South Korean authorities whether or not the North-South talks will be resumed early.

Together with all fellow countrymen, we will patiently continue to watch over the attitude of the South Korean authorities.

26 June, 1991 Pyongyang

Commentary Views South's Council Elections

SK2306094891 Pyongyang KCNA in English
0821 GMT 23 Jun 91

[Text] Pyongyang June 23 (KCNA)—NODONG SINMUN in a commentary today hits out at the "elections of large city and provincial councils" held in South Korea on June 20.

Noting that the No Tae-u ruling quarters rigged "victory" of a majority of the candidates of their "Democratic Liberal Party" (DLP) through bayonet suppression and fraud, the news analyst says:

The No Tae-u ruling quarters committed one more unpardonable criminal act by rigging "victory" to use the local autonomy to strengthen the dictatorial rule of their military fascist group, trampling upon the people's desire.

The puppets now talk that the "elections" were held in a "fair atmosphere," advertising the "election" results as an outcome of the people's will. This is a brazen-faced, false propaganda designed to veil their despicable and brigandish "election" rigging by violence and fraud.

Even according to an official announcement of the puppets, "votes for" them in the "elections" accounted for a little over 50 percent on an average. This furnishes clear proof that the people have no illusion or expectation over whatever the No Tae-u "regime" or the "DLP" undertakes.

The "elections" this time were held under strict watch while fascist bayonet suppression was rampant and the "DLP" group freely addressed themselves to fraud. The "president," "chairmen," the "secretary general" and others of the "DLP" rolled up their sleeves in this farce, and all the powers of the party and administration were mobilized.

The reality shows once again that as long as the U.S. imperialists' colonial rule continues and such military fascist dictators as the traitor No Tae-u remain in power, "elections" in South Korea cannot be held otherwise than to paint the fascist dictatorship as "democracy," no matter how many times they may be held. The local autonomy actually won by the South Korean people through their struggle now came to be abused in strengthening the military fascist dictatorial "regime" of the puppets.

Military fascist dictatorship does not make a present of democracy to the masses of the people.

The South Korean people must not harbour any illusion about "elections" enforced by the No group, and the South Korean opposition parties, too, should awaken themselves, realizing that the flower of democracy cannot blossom under the fascist dictatorship.

This is a lesson left over again by the recent "elections."

CPRF Denounces 'Unification by Absorption'

SK2506144691 Pyongyang KCNA in English
0553 GMT 25 Jun 91

[Text] Pyongyang June 25 (KCNA)—The Committee for the Peaceful Reunification of the Fatherland [CPRF] on Jaae 24 published a statement denouncing the "Unification by Absorption" doctrine brought forward recently by the South Korean chief executive as a grave and provocative hokum and clarifying our principled stand toward it.

The statement says:

The South Korean chief executive dare turn a covetous eye to the North, though he finds himself in a wretched position in which he is scarcely maintaining his power by a fascist security-oriented rule and murderous political situation. We can never overlook this grave situation.

The Committee for the Peaceful Reunification of the Fatherland declares as follows, thinking it necessary to clarify our principled stand towards the "unification by absorption" sought by him.

No Tae-u's argument for German-style "unification through absorption" at the "meeting of ministers concerned with reunification" is a declaration against dialogue, peace and reunification in our country.

Taking a very serious view of this, we will take steps of continuously accusing the South Korean chief executive of his treacherous anti-dialogue, anti-reunification attitude in the future.

The entire fellow countrymen are now lifting up voices denouncing it, expressing deep concern over No Tae-u's outburst.

The South Korean chief executive must clarify to the nation his ulterior intention in bringing forward the "unification by absorption" doctrine, an argument of permanent split, war and confrontation and opposition to dialogue.

However loudly the South Korean authorities may talk about dialogue and reunification without clarifying it, it will mean an outcry for sham dialogue and reunification.

Till the South Korean authorities make it clear, we will continue to demand an answer and urge a fundamental switchover in their wrong stance toward the questions of dialogue and reunification.

The South Korean authorities must clearly know that they can no longer fool the South Korean people by slandering our side with the fiction of "southward invasion" or "unification by communization", our side

which has consistently insisted on reunification through confederacy neither side conquering the other or being conquered by the other.

Availing ourselves of this opportunity, we express the hope that the South Korean people of all strata and compatriots overseas will clearly see the splittist and bellicose nature of the South Korean authorities and vigorously turn out in the struggle to smash their perilous doctrine of "unification by absorption".

Jurists at Meeting Adopt White Paper on South

SK2706012491 Pyongyang KCNA in English 1509 GMT 26 Jun 91

[Text] Pyongyang June 26 (KCNA)—A white paper on human rights in South Korea was adopted at the international conference of jurists on human rights in South Korea held in Paris.

The white paper says among other things:

Western media describe the achievements of the struggle of the anti-dictatorship forces in South Korea as "a process of democratisation" undertaken by the South Korean "Government" and contend that some "improvement" has taken place in the human rights situation while remaining silent about the continued human rights violations in South Korea so as to prevent world public opinion from having an unfavorable image of South Korea.

The successive rulers of South Korea have systematically come out with various issues in an attempt to plead their human rights violations before world public.

Each time they were described as "transitional measures for democracy."

When the human rights problem assumed greater importance in the international relations in recent years and their method did not work well, the South Korean authorities took shocking propaganda measures worldwide to conceal the realities of South Korea.

The economy of South Korea totally deprived of independence is entirely dependent on foreign enterprises.

The U.S. International Development Agency in South Korea, the South Korea-U.S. Joint Investment Committee and the South Korea-U.S. Economic Cooperation Committee are machines subjugating and controlling the South Korean economy.

The woefully deformed economy of South Korea is managed in accordance with the demands of the U.S. and Japanese monopolies, rather than by the decision of Seoul authorities.

Transnational firms have a total of 2,800 branches and 1,360 agencies in South Korea to realise direct and indirect investments of about six billion dollars.

The ministerial conference of the Organisation of Economic Cooperation and Development held in May 1988 in an official statement confirmed the dependence of the South Korean economy.

South Korea is deprived of political sovereignty.

It is a dependent ally in the U.S.-Japan-South Korea tripartite military alliance. The U.S. troops more than 40,000 strong and nuclear weapons deployed in South Korea, large-scale annual "Team Spirit" joint military maneuvers and the prerogative of supreme command over the South Korean Army held in the hands of the U.S. are examples of South Korea's dependence on the aggressive interests of foreign countries.

The U.S. Administration defined the Korean peninsula as an area of vital interests to it. This is a living evidence that the U.S. does not recognise the sovereignty of South Korea.

The white paper elaborates on the "revision" of the "Constitution" and "election law" and the development of repressive "laws" in South Korea.

Many "laws" enacted in South Korea since 1961, especially since 1972 include the existing "National Security Law," the "law on supervision for public peace," the "civilian defence law," the "law on assembly and demonstration" and the "criminal code."

The "National Security Law" enacted on December 30, 1980 is aimed at suppressing all the anti-"state" activities under the pretext of defending the "national security and people's freedom."

In the 1980-1988 period, some 2,230 people were arrested and tried on charges of violation of the "National Security Law" and about 20 of them were sentenced to death.

The suppression of the social movement and the labour movement was intensified with the "presidential" election and the "parliamentary" election in South Korea as an occasion.

The labour union movement of South Korea has become a major target of suppression since 1989 and hundreds of union leaders have been arrested and sentenced to penal servitude.

The wages of female and juvenile workers in South Korea are negligible and the workday is the longest in the world.

The South Korean authorities confine the student movement to the university towns. Student organisations are outlawed and the formation of a federation of students embracing all universities and colleges of South Korea is banned.

Although the "government" changes in South Korea, the suppressive machines are preserved.

The "Security Planning Board" was organised on the pattern of the structure of the U.S. Central Intelligence Agency. This suppressive machine has 18,000 staff members and 420,000 operatives active all over South Korea and abroad. There is no limit to the sphere of the activities of this suppressive machine. It places all "state organs" including the Army under its watch.

In South Korea, the "regular Army" is directly mobilized in suppression.

All "state organs" of South Korea are mainly based on personal considerations, acquaintanceship and family relations.

Political power, administration organs, employers and foreign enterprises are interlinked and they produce all sorts of social injustice in conspiracy.

The kinds of torture are diverse. They include electric torture, "airplane torture" fastening a person's hands and feet to a wooden board and beating him while turning him round, "Jinghis Khan cooking torture" in which the victim is suspended from the ceiling upside down and fire is built beneath him and "chicken barbecue torture" rolling the victim in chain after binding him to an iron bar.

The tortures in South Korea have become a target of strong denunciation and criticism by human rights and humanitarian organisations of all countries.

Violations of human rights, strangulation of democracy, economic exploitation, political and military dependence and perpetuation of the division of the country and the nation are the sum total of politics of South Korea.

The measure to join the United Nations taken by the DPRK to cope with South Korea's attempt at "unilateral U.N. membership" is a very positive measure in the sense of binding the Seoul "regime" to the principles of the U.N. Charter and barring it from violating human rights.

The jurists of the world will strengthen legal defence and solidarity for the just struggle of the Korean people.

Former South Politician Welcomed at Meeting

SK2706154091 Pyongyang KCNA in English 1512 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—Pyongyang working people held a meeting today to warmly welcome Kim Hwi-won, former chairman of the Kangwon Provincial District Committee of the "Reunification Democratic Party" and central permanent member of the "Democratic Liberal Party" of South Korea, who settled down in the northern half of the country.

Kim Hwi-won arrived in Pyongyang in early April to join hands with the people in the northern half in the active movement for the withdrawal of the U.S. forces from South Korea. In his arrival statement and declaration of conscience, he exposed the aggressive crimes of the U.S. imperialists and strongly demanded the withdrawal of the U.S. troops. On June 4, he filed a suit with the International Court of Justice demanding that the United States withdraw its aggression troops and nuclear weapons from South Korea and pay fees for the use of military bases and compensation for damages it has inflicted on Korea.

He decided to settle down in the northern half of the country, realising that the socialist motherland where all people live a dignified life with national pride and honour, free from foreign domination and interference, is the very place where he, as a politician, can do really worthy work for the country and the nation.

At the meeting, an order of the DPRK, prize money and souvenirs were awarded to Kim Hwi-won who is taking the lead in the movement for U.S. troop pullout with the determination to devote himself to national reunification.

In a welcome address, Sin An-pang, vice-chairman of the Pyongyang Municipal Administration and Economic Guidance Committee, said Kim Hwi-won's decision to settle down in the socialist motherland, rejecting the colonial military fascist rule of the U.S. imperialists and the No Tae-u ruling group is an expression of deep patriotism to take the van in the struggle to accomplish the reunification cause, the cherished desire of the nation, and a very righteous act for a worthy life as a politician.

Your earnest desire, Mr. Kim Hwi-won, to do a worthwhile work for the country and the nation under the correct guidance of a great leader revered by all people will be realised without fail, and our people will actively support your righteous activities morally and materially, Sin An-pang stated.

In a reply address, Kim Hwi-won said he was born again in the dignified Democratic People's Republic of Korea, the motherland in the North where an independent life and human dignity are in full bloom under the chuche idea, peace and independence hold sway and prosperity and happiness are firmly guaranteed.

He went on to say:

Here in Pyongyang, I can freely chastise the Americans as a politician, shouting the withdrawal of U.S. troops. I feel as if I had found an oasis in the desert and met with the saviour of my political life.

The North a dignified independent, sovereign state free from outside aid and interference and an ideal society where the leader, the party and the people, welded into an integrated whole, are bringing man-centred democracy into full play.

The North and the South are poles apart. The North owes this, I believe, to the prolonged efforts of the great leader His Excellency President Kim Il-song and the dear

leader His Excellency Kim Chong-il who, possessed of brilliant political leadership ability and virtues, have shaped excellent politics for the people.

South Korea is a corrupt and ailing society where all the political, military and economic powers are held in the hands of the U.S. imperialists, and U.S.-backed No Tae-u and other political swindlers of the "Democratic Liberal Party" are indulged in abuse of power and accumulation of private fortunes, said Kim Hwi-won, and fully exposed the human rights violations and plunder by the U.S. imperialists in South Korea, citing facts which he personally had experienced.

He stressed that the U.S. nuclear weapons of more than 1,000 pieces must be withdrawn from South Korea at once. No Tae-u dreaming of unification by prevailing over communism in step with the U.S. imperialists' war preparations for a nuclear attack on the North be punished and an independent and democratic government be established in South Korea.

The reunification of the country must be achieved through a confederacy, a good reunification proposal praised by all the fellow countrymen, he emphasized.

The meeting was attended by Yun Ki-pok, secretary of the C.C. [Central Committee], the Workers' Party of Korea and vice-chairman of the committee for the peaceful reunification of the fatherland, and officials concerned.

Fifth Republic Figures' Release in South Viewed

SK2706065191 Pyongyang KCNA in English 0500 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—NODONG SINMUN today denounces the No Tae-u ruling group which is releasing criminals of the "Fifth Republic" while intensifying the suppression of patriotic, democratic forces in South Korea.

Recalling that the South Korean authorities imposed a four-year prison term upon the chairman of the preparatory committee of the National Council of Student Representatives (Chondaehyop) for the Pyongyang festival and are intensifying suppression of patriotic, democratic forces, an analyst of the paper says:

This fully shows that the No Tae-u ruling group is these days getting all the more hysteric in the suppression of the patriotic, democratic forces in South Korea.

What draws greater attention is the fact that the No Tae-u ruling group is releasing criminals of the "Fifth Republic" while running riot in the crackdown upon the people, brandishing the blood-stained sword of dictatorship.

It "paroled" Chon Kyong-hwan, the chief culprit of the "New Village Movement" scandal, and Yi Chol-hui, one of the masterminds of the large-scale loan scandal, which were committed under the dictatorship of the "Fifth Republic" and released 47 criminals involved in the "Fifth Republic" scandals.

Thus the South Korean authorities are releasing those who must be judged and punished by the people while brutally suppressing patriotic, democratic forces praised by the fellow countrymen. What does this show?

This proves that the No Tae-u "regime" is a corrupt fascist "government" estranged from the people.

The No Tae-u ruling group must stop patronizing the criminals of the "Fifth Republic", a target of grievances of the people, give up the reckless suppression of the patriotic people and release the illegally arrested people without delay.

Commentary on Nuclear Weapons Issue Continues

European Groups Publish Appeal

SK2406081191 Pyongyang KCNA in English 0514 GMT 24 Jun 91

[Text] Pyongyang June 24 (KCNA)—Eighteen organisations in West Europe including the World Assembly of Muslim Youth, the World Assembly of Youth, the Communist Organisation of Britain, the Afro-Asian Solidarity Committee of Spain, the Union of Students of Luxemburg, the Anti-imperialist League of Belgium and the International Committee on the Democratic People's Republic of Korea organized under the World Assembly of Muslim Youth on June 19 published an appeal supporting the joint statement of the political parties and public organisations of the Democratic People's Republic of Korea.

The appeal says:

Paying deep attention to the joint statement issued on June 10 by the political parties and public organisations of the DPRK with regard to the nuclear problem, exressing deep concern over the daily growing danger of a nuclear war on the Korean peninsula and the grave threat to the peace and security in Korea, Asia and the rest of the world posed by more than 1,000 pieces of nuclear weapons deployed in South Korea and considering that the "nuclear umbrella" is not needed to anyone today when East-West confrontation came to an end, we demand that the process of disarmament and denuclearisation be promoted on the Korean peninsula.

We demand that the United States withdraw its forces, nuclear weapons and nuclear bases from South Korea without delay, no more insisting on an unjust "nuclear inspection" of the DPRK.

We call upon the world peaceloving people to express positive support and firm solidarity for the struggle of the Korean people to get the U.S. troops and nuclear weapons withdrawn from South Korea and make the Korean peninsula a nuclear-free, peace zone, mindful

that if a nuclear war broke out on the Korean peninsula, mankind would suffer unspeakable misfortunes and disasters.

Agriculture Union Leader Comments

SK2306083891 Pyongyang KCNA in English 0807 GMT 23 Jun 91

[Text] Pyongyang June 23 (KCNA)—If nuclear inspection is to be made, it should not be made of us alone who have no nuclear weapon but the U.S. nuclear weapons in South Korea must be opened to the public and international inspection of them be made simultaneously, said Pak Su-tong, chairman of the Central Committee of the Union of Agricultural Working People of Korea, in a statement issued to the press on June 22 clarifying the justness of our stand manifested in the joint statement of the political parties and public organisations of the Democratic People's Republic of Korea.

To remove the danger of a nuclear war and ensure peace on the Korean peninsula today is not only a vital issue concerning the destiny of our people but also a most urgent demand for peace and security in Asia, he noted, and went on:

To remove the danger of a nuclear war from the Korean peninsula and Asia, it is imperative to get the U.S. nuclear weapons withdrawn from South Korea and make the Korean peninsula a nuclear-free, peace zone.

The United States is now loudly talking about "nuclear inspection" of us and inveigling even its satellite countries and puppets into strengthening the anti-DPRK campaign. This is a mean plot to find a pretext for inflicting nuclear disasters upon us and the Asian people.

The United States is forcing unilateral "nuclear inspection" of us, which is a chauvinistic arrogant act to force its will upon others from the stand of strength.

Japan is joining the U.S. smear campaign for clamouring about "nuclear inspection" of us. If Japan truly worries about nuclear threat, it should play a role contributable to removing the danger of the U.S. nuclear weapons deployed in South Korea.

If the United States truly wants peace and security in the Korean peninsula and Asia, it should not threaten our people and the Asian people by keeping nuclear weapons in South Korea but take a measure to withdraw them at once, Pak Su-tong stressed.

Women's Union Leader Comments

SK2606014291 Pyongyang KCNA in English 1021 GMT 25 Jun 91

[Text] Pyongyang June 25 (KCNA)—Peace and security on the Korean peninsula and in Asia cannot be ensured and people cannot be safe from a permanent nuclear threat as long as the U.S. imperialists threaten and blackmail our people and other Asian people, keeping and wielding nuclear weapons in South Korea, said Kang Chom-suk, secretary general of the Central Committee of the Korean Democratic Women's Union, in her statement to the press issued on June 24 clarifying the justness of our stand set out in the joint statement of the political parties and public organisations of the DPRK.

The United States turned South Korea already long ago into a forward base for invading our Republic and Asian countries and the biggest nuclear powder magazine, the statement said, and went on:

These days the United States is stepping up its anti-DPRK campaign, vociferating about "nuclear inspection" on us. This is a base intrigue to invent a pretext to inflict nuclear disasters upon us and the Asian people.

As the Government of our Republic has clarified time and again, if nuclear inspection is to be made, it must not be forced on us alone who have no nuclear weapon but the U.S. nuclear weapons in South Korea should be opened to the public and international inspection of them be made simultaneously. This conforms to the principle of impartiality and to the aim of nuclear inspection and it is necessary not only for our country but also for other Asian countries.

We firmly believe that the mothers and women of all the countries in Asia and the world will squarely see the danger of the U.S. nuclear weapons deployed in South Korea and extend full support and solidarity to our people and women in their struggle to remove it and convert the Korean peninsula into a nuclear-free zone.

SRV Crewmen Support Statement

SK2406105091 Pyongyang KCNA in English 1039 GMT 24 Jun 91

[Text] Pyongyang June 24 (KCNA)—Crewmen of the Vietnam-flagged-ship Luc Nam anchoring at Nampo port on the west coast of Korea met and fully supported a joint statement of the political parties and public organisations of the DPRK on the ever-growing nuclear threat of the United States on the Korean peninsula.

With the U.S. troops and more than 1,000 pieces of nuclear weapons left in South Korea the entire Korean people in the North and South and other peoples of Asia cannot evade nuclear danger and it is the duty of the progressive and peaceloving people of the world to support the joint statement of the political parties and public organisations of the DPRK, they said, adding:

We strongly demand that the U.S. forces and nuclear weapons be withdrawn from South Korea completely and unconditionally without delay and a nuclear inspection on South Korea be made before a nuclear inspection on the DPRK.

Chongnyon Demands Denuclearization

SK2706103091 Pyongyang KCNA in English
1009 GMT 27 Jun 91

[Text] Tokyo June 25 (KNS-KCNA)—A Tokyo meeting of Koreans in Japan for demanding the withdrawal of the U.S. nuclear weapons from South Korea and denuclearisation of the Korean peninsula was held on June 25.

Addressing the meeting, Pak Chae-no, vice-chairman of the central standing committee of the General Association of Korean Residents in Japan (Chongnyon), strongly demanded that the United States immediately withdraw its troops and nuclear weapons from South Korea, saying that there is no more urgent problem than to get the U.S. nuclear weapons withdrawn from South Korea and make the Korean peninsula a nuclear-free, peace zone.

The U.S. outcry for "nuclear inspection" of the DPRK these days is a ruse to cover up the danger of its nuclear arsenal in South Korea, he said, and continued:

If "nuclear inspection" is to be made, it must not be made only of the northern half of Korea which has no nuclear weapon but the U.S. nuclear bases in South Korea must be opened to the public and international inspection be made of them at the same time.

Solidarity speeches were made by Wataru Kubo, vice-chairman of the central executive committee of the Social-Democratic Party of Japan, Motofumi Makieda, representative member of the Japan Committee for supporting the independent and peaceful reunification of Korea, and other Japanese figures.

In his speech Wataru Kubo Sai the Social-Democratic Party of Japan expressed full support to the joint statement issued by the political parties and public organisations of the DPRK to get the U.S. nuclear weapons withdrawn from South Korea and denuclearize the Korean peninsula. The denuclearisation of the Korean peninsula conforms to the spirit of the joint declaration of the three parties and it will promote the normalisation of Japan-DPRK diplomatic relations, he stressed, and added:

The Social-Democratic Party of Japan sincerely hopes for peace and security on the Korean peninsula and Korea's reunification and will struggle for their realization.

Many functionaries of Chongnyon made indignation speeches at the meeting.

After the meeting, the participants started a demonstration, chanting slogans.

More Koreans in Japan Comment

SK2706152291 Pyongyang KCNA in English
1506 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—Officials of Chongnyon (The General Association of Korean Residents in Japan) issued statements to the press in support of the joint statement of the political parties and public organizations of the DPRK demanding the withdrawal of the U.S. nuclear weapons from South Korea and denuclearization of the Korean peninsula, according to a KNS report from Tokyo.

Pak Chong-hyon, chairman of the central standing committee of the Democratic Union of Korean women in Japan, strongly demanded that the United States unconditionally withdraw its troops and all nuclear weapons, the root cause of a nuclear war in Korea and Asia, from South Korea without delay, not resorting to the anachronistic policy of strength.

Yi Myong-kyon, chairman of the central standing committee of the League of Korean Youth in Japan, said that the young people who should keep their hope and wishes of youth in full bloom in a reunified peaceful country free from war could not remain an onlooker to the grave situation of the Korean peninsula which is coiling up with each passing day.

Choe Il-su, director general of the Federation of Korean Traders and Industrialists in Japan, stongly demanded that in order to remove the danger of a nuclear war the United States pull out their nuclear weapons and troops from South Korea and affirmatively accede to the proposal for denuclearizing the Korean peninsula and the Japanese authorities make an actual contribution to peace and security on the Korean peninsula.

Pak Tong-chon, chairman of the Association of Korean Pressmen in Japan, stressed that if "nuclear inspection" is to be made, it should not be done only in the DPRK which has no nuclear weapons but the U.S. nuclear bases in South Korea should be opened to the public and international inspection of them be made at the same time.

Student Committee Chairman Comments

SK2606045291 Pyongyang KCNA in English
0423 GMT 26 Jun 91

[Text] Pyongyang June 26 (KCNA)—Choe Hyon-tok, chairman of the Korean Student Committee in a statement issued to the press on June 25 strongly demanded in the name of the entire students in the DPRK that the nuclear weapons of the U.S. imperialists deployed in South Korea, the source of the outbreak of a nuclear war in the Korean peninsula and Asia, be withdrawn at once to make the Korean peninsula a nuclear-free, peace zone.

The U.S. imperialists have deployed nuclear weapons in South Korea in an attempt to dominate the whole of Korea and Asian countries by strength and threaten and

control them with nuclear weapons in case a certain event going against the grain with them occurs there, he noted, and went on:

No one can vouch that the U.S. imperialists will not wield nuclear weapons against Asian countries. The U.S. imperialists, calling for unilateral "nuclear inspection" in our area are inveigling their satellite countries and puppets into an intensified anti-DPRK campaign. This is an arrogant act to force their will upon others from the stand of strength.

If the United States truly wants peace in the Korean peninsula and Asia, they should take their nuclear weapons out of South Korea at once.

The chairman of the Korean Student Committee expressed the hope that students in Asia and the rest of the world will squarely look at the danger of the U.S. nuclear weapons deployed in South Korea and join with due attention in the struggle to remove it.

Labor Federation Head Comments

SK2706054991 Pyongyang KCNA in English 0435 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—If the United States is interested a little in peace in the Korean peninsula and Asia, it should not insist on "nuclear inspection" only in our area, it [should] open to the public its nuclear base in South Korea, allow international inspection of it at the same time and take nuclear weapons out of South Korea, stressed Paek In-chun, chairman of the Central Committee of the General Federation of the Unions of Literature and Arts of Korea, in a statement issued to the press on June 26 in reference to the validity of our stand made clear in the joint statement of the political parties and public organisations of the Democratic People's Republic of Korea.

The anti-DPRK campaign of the U.S. imperialists and the No Tae-u ruling group is a premeditated artifice to divert elsewhere the attention of the world from the nuclear weapons deployed in South Korea and cover up their policy of nuclear blackmail in Asia with the Korean peninsula as a base under the pretext of "nuclear inspection" in our area, he said, and pointed out:

The U.S. imperialists are calling for unilateral "nuclear inspection," taking issue with us who have no nuclear weapons, have not developed them and have no capacity to develop them, like a thief crying "stop thief " this clearly shows that they have not given up a little their great power chauvinistic intention to force their will upon others from an anachronistic stand of strength.

Paek In-chun expressed the hope that writers, artists and literary and art organisations in Asia and the world will pay due attention to the increase of the U.S. imperialists' nuclear threat on the Korean peninsula and express firm solidarity with the Korean people in the just struggle for denuclearization and peace.

Solidarity Meeting on Reunification Held in Cuba

SK2606102291 Pyongyang KCNA in English 0958 GMT 26 Jun 91

[Text] Pyongyang June 26 (KCNA)—A meeting of solidarity with the Korean people was held in Havana on June 21 on the occasion of the 15th anniversary of the formation of the Cuban Committee for supporting Korea's reunification and of the month of anti-U.S. joint struggle.

Jesus Montane Oropesa, chairman of the Cuban Committee for supporting Korea's reunification, made a speech at the meeting.

Referring to the development of friendly and cooperative relations between the Cuban and Korean parties, Governments and peoples, he stressed that these friendly and cooperative relations are a model of true and friendly relations and a vivid symbol of friendship and solidarity between genuine revolutionaries, between Comrade Kim Il-song and Comrade Fidel Castro.

The Cuban Committee always denounces the U.S. imperialists' occupation of South Korea, their interference in the internal affairs of Korea and their "Team Spirit" joint military exercises which are growing in scale every year, and demands the release of student Yim Su-kyong.

A statement supporting the joint statement of the political parties and public organisations of the DPRK was adopted at the meeting.

The Cuban Committee, representing the hearts of the Cuban people, considers the joint statement of the DPRK's political parties and public organizations related to the question of removing nuclear threat from the Korean peninsula as its own, the statement said, adding:

The Cuban Committee considers that if nuclear inspection is to be made, it must not be forced unilaterally on the northern part of the Korean peninsula alone but be simultaneously made on the nuclear bases of the U.S. forces in the southern part of the Korean peninsula.

The statement strongly demanded the withdrawal of all nuclear weapons from South Korea.

Attendance of Leaders at Pyongyang Rally Cited

SK2706023791 Pyongyang Korean Central Broadcasting Network in Korean 0857 GMT 25 Jun 91

[Excerpts] We will begin live coverage of the Pyongyang city mass rally and parade on the 25 June Day of Struggle Against U.S. Imperialism. This is from Kim Il-song Plaza. The Pyongyang city mass rally and parade of the 25 June Day of Struggle Against U.S. Imperialism will begin soon here. [passage omitted]

Placed in the rally site where hundreds of red flags are flying are the slogans, "Let us make the Korean peninsula a nuclear-free, peace zone by making the U.S.

imperialists withdraw nuclear weapons from South Korea," "The U.S. imperialist aggressors should immediately withdraw from South Korea, taking along nuclear weapons and nuclear armed forces," "Down with the U.S. imperialists and the No Tae-u clique who attempt to drive the land and the nation into a nuclear holocaust," "The U.S. imperialists and the South Korean puppet clique should immediately demolish the concrete wall built in the area south of the Military Demarcation Line," "Let us achieve, without fail, the historic cause of national reunification in the nineties," "Let us hand over a reunified fatherland to our next generations," "Korea is one," "What the party decides, we will do," "Let us live in our own way," "Let us be loyal and dutiful to the party and the leader," and "Let all compatriots in the North and the South and overseas vigorously launch the implementation of the five-point policy of national reunification." [passage omitted]

Comrades Yi Chong-ok, Kim Yong-nam, Choe Kwang, and Kye Ung-tae, members of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK]; Comrades Choe Tae-pok and Kang Hui-won, candidate members of the Political Bureau of the WPK Central Committee; Comrades Yun Ki-pok and Kim Chung-nin, secretaries of the WPK Central Committee; Comrade Chang Chol, vice premier of the State Administration Council; responsible functionaries from political parties, government organs, public organizations, and press and publication sectors; anti-Japanese revolutionary fighters; general officers of the Korean People's Army; heroes; unheralded heroes; and disabled veterans were present on the rostrum. (Cho Il-min), representative of the Pyongyang mission of the South Korean National Democratic Front was also present. [passage omitted]

'U.S. Imperialists' Urged To Leave South

SK2706094691 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 25 Jun 91

[NODONG SINMUN 25 June editorial: "The U.S. Imperialists Should Stop the Nuclear War Commotion and Leave South Korea Right Away"]

[Text] Today, we are marking the 25 June Anti-U.S. Imperialist Struggle Day under a grave situation in which the maneuvers of the U.S. imperialists and their running dogs to provoke a new war, nuclear war, have become more undisguised than ever.

On 25 June, 41 years ago, the U.S. imperialist aggressors agitated the puppet Syngman Rhee ring into lighting the fuse of a criminal war of aggression in Korea, with a view toward eliminating our adolescent Republic in its budding period, dominating the whole of Korea, and, going one step farther, bringing the world under their control.

Cherishing a pipe dream of swallowing our Republic at one stroke, the U.S. imperialists mobilized a large body of troops numbering millions, including the main force of the U.S. Army, Air Force, and Navy armed with ultramodern equipment, mercenaries of 15 U.S. suzerain countries, and the South Korean puppet army, and a massive amount of combat technology and equipment, and employed the most brutal war methods of all descriptions unheard of in the history of war.

Our people's struggle against the armed invasion of the U.S. imperialists was a rigorous fight decisive of the rise and fall of the nation and a noble anti-imperialist, anti-U.S. struggle to destroy the allied forces of the U.S.-led world reaction, defend the freedom and independence of the motherland and safeguard peace in Asia and the world.

Under the outstanding and tested guidance of the respected and beloved leader Comrade Kim Il-song, an ever-victorious iron-willed brilliant commander and great military strategist, the Korean people and the People's Army, rising up as one, fought a heroic fight, defeated the U.S. imperialist aggressors, and won a historic victory in the Fatherland Liberation War.

Our people's victory in the Fatherland Liberation War was a brilliant victory of the great leader Comrade Kim Il-song's chuche-oriented military idea, tactics, and strategy, as well as a great demonstration of the invincible might of the Korean people and the People's Army.

By humbling the arrogant U.S. imperialists who prided themselves on their being the most powerful in the world, our people and the People's Army defended the freedom and independence of their fatherland and peace in Asia and the world, put the U.S. imperialists on a downward slope, and opened the door to a new era of surging anti-imperialist, anti-U.S. struggle of global proportions.

Our party and the Republic's Government have made every possible effort to turn the provisional state of truce into durable peace and remove the danger of war since the truce was put in force in Korea.

Up until recently, we have put forth countless peace proposals, such as the proposals for tripartite talks, multinational disarmament talks, and four principles for guaranteeing peace, and all-inclusive peace proposals, as well as the proposal for adopting a nonaggression declaration between the North and South, and the proposal for converting the Korean peninsula into a nuclear-free zone, while taking such positive steps as mobilizing the People's Army soldiers for peaceful construction and unilaterally reducing troops by 100,000.

None of the realistic, fair, and just proposals that we have put forward have been realized and the tense situation on the Korean peninsula is becoming more aggravated with the passage of time.

It is 38 years since the cease-fire, but the danger of a new war is increasing on the Korean peninsula, where no durable peace has been ensured, due to the U.S. aggressors who run riot to unleash another war of aggression in South Korea instead of leaving it.

The great leader Comrade Kim Il-song has taught: As a result of the U.S. policy of aggression and war, South Korea has become a powder magazine full of weapons of mass destruction, including nuclear weapons, a very dangerous situation capable of triggering a new war at any given moment has been created in our country.

The U.S. imperialists, who are dreaming of world domination, directed their spearhead of aggression toward Asia and attached great strategic significance to the Korean peninsula, an important strategic military spot.

Proceeding from the ambition to invade the northern half of our Republic and the Asian Continent by making a stepping-stone of South Korea, the U.S. imperialists reduced South Korea to the largest nuclear advanced base in the Far East, and frantically accelerated the preparations for a nuclear war.

The U.S. imperialists worked out a nuclear war plan and placed special units [chonmun pudae], which are trained for implementation of this plan, under combat readiness. They are ceaselessly conducting nuclear war exercise together with the puppets.

The Team Spirit joint military exercise, which the U.S. imperialists conducted this year in South Korea in defiance of unanimous protest and denunciation of public opinion at home and abroad, was an aggressive preliminary war and a dangerous test nuclear war designed to launch a surprise attack on the northern half of the Republic.

Even now in the air above areas of South Korea, several hundreds of various types of U.S. and South Korean military aircraft are running amok with aerial strike exercises aimed at a surprise attack on the northern half of the Republic.

Some time ago, the U.S. Joint Chiefs of Staff said that the area where the possibility of limited war is greatest following the Persian Gulf area is the Korean peninsula, and openly stated that if a war breaks out in Korea, a fierce combat would be inevitable lasting more than 120 days and the United States would throw more than 200,000 reinforcements into this combat. This indicates that a war can break out at any time on the Korean peninsula caused by the rascals.

Besides, the U.S. imperialists are actively instigating the South Korean puppets to anticommunist fascist frenzy to enforce their criminal policy of war and aggression on the South Korean people.

In an attempt to fully mobilize South Korea's manpower and material resources in the northward war of aggression, the No Tae-u group is perpetrating unprecedentedly atrocious and repressive rule against the people.

Of late, the No Tae-u group, creating a security-oriented political situation and murderous situation in South Korea, brutally massacred more than 20 people from all walks of life, including many patriotic students, in only one month, thus committing a vicious murderous act.

Undoubtedly, such a murderous iron-fisted rule is a product of the behind-the-scenes manipulation of the U.S. imperialists who are pursuing a new war in Korea.

What should not be overlooked is that having completed the preparations for a northward war of aggression in South Korea, the U.S. imperialists and the puppets intensified the anti-Republic commotion while spreading groundless and preposterous lies in order to find an excuse for provoking a war.

The United States recently raved loudly as if we refused nuclear inspection because we are developing nuclear weapons. The anti-Republic commotion which the United States is waging even by dragging in its following nations and the puppets is indeed alarming.

The U.S. imperialists put forward the issue of unilateral nuclear inspection in regard to us—a non-nuclear state calling for turning the Korean peninsula into a nuclear-free, peace zone—without a single word about 1,000-odd nuclear weapons existing in South Korea. This cannot but be a brigandish act similar to a thief yelling "Stop thief!"

This proceeds from their vicious intention to justify the maneuvers for a nuclear base and nuclear war provocation commotion which they are perpetrating in South Korea in such a way as to smear and slander us and to finally enforce nuclear calamities on us and the Asian people.

In actuality, the U.S. imperialists worked out a plan for operational training while talking about our so-called capability of developing nuclear weapons and about providing so-called joint countermeasures together with the South Korean puppets. In addition, the South Korean military head made absurd violent war remarks that he would send commando units to the North for a surprise attack to destroy its nuclear facilities.

This shows that the U.S. imperialists, who have become extremely arrogant through the Persian Gulf war, and the puppets are trying to perpetrate a nuclear attack on us at any time while attempting to aggravate the situation to an extreme point on the pretext of nuclear inspection in regard to us and so forth.

Our people and the world's peaceloving people, who aspire to peace and peaceful reunification of Korea, are looking at the grave situation created on the Korean peninsula with deep concern.

The Korean people, who ardently wish to see the peace and reunification of the nation, absolutely cannot look idly on as the clouds of nuclear war loom over the heads of the people.

All fellow countrymen in the North, the South and overseas should vigorously wage the antiwar, antinuclear peace movement to check and frustrate the reckless nuclear war commotion of the U.S. imperialists and the No Tae-u group, to make the Korean peninsula a

nuclear-free, peace zone, and to achieve the independent and peaceful reunification of the fatherland.

Removing the danger of war and maintaining and consolidating peace on the Korean peninsula by easing tension are not only important issues linked with our people's destiny but also urgent questions directly linked with peace and security in Asia and in the world.

If a war breaks out on the Korean peninsula, it will be a nuclear war, and the Asian people including our neighboring countries, not to mention our people in the North and the South, will suffer great damages.

The Asian people, including Japan which directly suffered nuclear damage in the past, should deservedly heighten vigilance against the nuclear war commotion of the U.S. imperialists in South Korea.

We firmly believe that all the peaceloving people of the world, who treasure peace, will pay attention to the danger of nuclear war looming over the Korean peninsula and will give continuous and active support and encouragement to our people's struggle to defend peace by preventing a war and to achieve the independent and peaceful reunification of the nation.

Our people are advancing by holding the banner of socialism high without wavering, disregarding the U.S. imperialists' strategy for peaceful transition. The U.S. imperialists are attempting to menace us with nuclear weapons, regarding us as a thorn in their flesh.

Officers and men of the People's Army and all the people should heighten revolutionary vigilance against the new war provocation maneuvers of the U.S. imperialists and their stooges and should firmly defend the socialist fatherland and revolutionary gains.

Today voices calling for the withdrawal of U.S. imperialist aggressor troops and nuclear weapons from South Korea are vigorously resounding not only from within South Korea but also from across the ocean in the United States.

The U.S. imperialists should end their anachronistic occupation of South Korea and reckless nuclear war provocation maneuvers, and should immediately withdraw from South Korea. They should not instigate the puppets to fascism and war.

The No Tae-u group should give up their foolish ambition for reunification through victory over communists, and should not pull the U.S. imperialists' carriage for nuclear war. It should not adhere to the treacherous antinational act of blocking the aspirations of fellow countrymen for independence, democracy, and reunification but should step down from power according to the people's demand.

If the U.S. imperialists and the puppets advance along the road of provoking the nuclear war in Korea to the last, instead of seeking a lesson from the disgraceful defeat they suffered from the Korean war in the past, the provokers cannot avoid the miserable end.

The might of our people, who are firmly united around the great leader and the great party with a single heart, is ever-victorious and indomitable.

U.S. Policy Toward DPRK Said 'High-Handed'

SK2706063291 Pyongyang KCNA in English 0508 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—U.S. State Department Spokesman Boucher some time ago listed the DPRK's "acceptance of international inspection of its nuclear facilities," "constructive North-South dialogue," "renunciation of terrorism" and "cooperation in the return of the remains of U.S. soldiers" as "circumstances" under which the U.S. would be willing to "upgrade" and "improve" relations with the DPRK, adding that if the DPRK acts positively on this agenda, the U.S. response would be equally positive.

NODONG SINMUN today brands this as a high-handed attitude toward the DPRK and an expression of the position of strength.

The news analyst says:

What has caused the DPRK-U.S. relations to be extremely abnormal as today is the U.S. imperialists' policy of aggression and hostility against the DPRK and the Korean people.

It is not the DPRK but the United States which has deployed more than 1,000 pieces of nuclear weapons in South Korea and created the danger of nuclear war that must undergo "nuclear inspection" on the Korean peninsula.

The United States must open the nuclear bases in South Korea to the public, accept their inspection, withdraw nuclear weapons from South Korea and commit itself not to attack the DPRK before urging the DPRK to accept nuclear inspection.

The U.S. demands a "constructive North-South dialogue" of us. But it is the United States and the South Korean authorities that brought the inter-Korean high-level talks to a rupture by staging the "Team Spirit" joint military maneuvers, a test nuclear war against the DPRK, and has created the danger of nuclear war.

As far as the delivery of the remains of U.S. soldiers is concerned, the United States laid hurdles in its way and delayed it.

For the United States, the organiser and commander of terrorist acts at home and abroad, to talk about "terrorism" is aimed at impairing by this crafty and despicable method the international prestige of the DPRK which has nothing to do with terrorism, diverting elsewhere the attention of the world people from its criminal violations

of human rights, putting pressure on the DPRK and getting something from this.

The United States does not want the settlement of the Korean issue but lays obstacles in improving the DPRK-U.S. relations while pursuing an aggressive anti-DPRK, anti-socialist strategy.

In order to "upgrade" and "improve" the DPRK-U.S. relations, the United States before anyone else must act in favour of it.

It is high time the United States reexamined its Korea policy.

Japanese Groups Demand Normalization of Ties

SK2406080991 Pyongyang KCNA in English 0536 GMT 24 Jun 91

[Text] Tokyo June 22 (KNS-KCNA)—Voices supporting Korea's reunification and demanding an early normalisation of Japan-DPRK diplomatic relations are ringing louder in all parts of Japan.

A resolution demanding an early normalisation of Japan-DPRK diplomatic relations was adopted on June 16 at the 55th regular convention of the Fukui Prefectural headquarters of the Japan Social-Democratic Party.

The resolution said the normalization and development of the relations between Japan and the DPRK would not only conform to the interest of the two peoples but also greatly contribute to the promotion of peace and reunification of the Korean peninsula, detente in Asia and, furthermore, to the peace and prosperity of the world.

It strongly urged the government authorities to actively strive for an early normalisation of diplomatic relations between the two countries.

A resolution supporting the independent and peaceful reunification of Korea and urging an early realisation of Japan-DPRK diplomatic relations was recently adopted at the 55th regular convention of the Aichi Prefectural headquarters of the Japan Social-Democratic Party.

The resolution opposes the unjustifiable policy of the Japanese Government toward Korea and its obstructions to the reunification of Korea and strongly supports the independent and peaceful reunification of Korea.

It also urges the Japanese Government to make strenuous efforts for an early normalisation of Japan-DPRK diplomatic relations and do its utmost to create a social atmosphere in Japan to get on with Koreans, treating them as good neighbours.

Resolutions and recommendations demanding an early normalisation of Japan-DPRK diplomatic relations were recently adopted at Iwanuma and Furukawa City assemblies, Miyaki Prefecture, and Mito-cho Assembly, Mino County, Shimane prefecture.

Meetings Adopt Ties Resolutions

SK2606024491 Pyongyang KCNA in English 1026 GMT 25 Jun 91

[Text] Tokyo June 23 (KNS-KCNA)—Brisk movements demanding an early normalisation of Japan-DPRK diplomatic relations are going on in all parts of Japan.

A resolution adopted at the recently held 47th national meeting of the youth and students' festival of peace and friendship in Japan said that it is a stand the Japanese Government must take to realize Japan-DPRK friendship and interchange at an early date by approaching the negotiation with a sincere attitude, instead of creating an artificial difficulty in the talks for Japan-DPRK diplomatic relations.

A resolution demanding the promotion of the normalisation of Japan-DPRK diplomatic relations was adopted at the 3rd regular meeting of the Kumamoto Prefectural council centre of trade unions.

The resolution expressed concern over the fact that diplomatic relations between Japan and the DPRK have not yet been established and hoped for their early realisation.

A request demanding an early normalisation of Japan-DPRK diplomatic relations was adopted at the 43rd regular convention of the Tottori Prefectural teachers' union held on June 14 and 15.

The request denounced the Japanese Government for deliberately delaying the Japan-DPRK talks and strongly urged it to show a sincere attitude at future talks and actively strive to bring the negotiation to an early success.

The request was sent separately to the prime minister, the foreign minister, the speaker of the House of Representatives and the president of the House of Councillors of Japan.

Kim Yong-sun Meets With Lao Party Delegation

SK2606025291 Pyongyang KCNA in English 1032 GMT 25 Jun 91

[Text] Pyongyang June 25 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, met and had a friendly talk Monday with the delegation of the External Relations Committee of the Lao People's Revolutionary Party (LPRP) headed by Thongloun Sisoulit, member of the C.C., the LPRP and vice-chairman of the committee.

Yang Hyong-sop Meets Jordanian Delegation

SK2606154191 Pyongyang KCNA in English 1528 GMT 26 Jun 91

[Text] Pyongyang June 26 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly, today met and made a friendly talk with the visiting delegation of

the House of Deputies of the Hashemite Kingdom of Jordan led by Layth F. Shubaylat, member of parliament.

The head of the delegation said during their stay, they witnessed for the first hand the sufferings of the Korean people caused by the national split. We express full support to the Korean people's struggle for national reunification, he stressed.

He denounced the imperialists for crying for "nuclear inspection" on the DPRK.

Expressing the expectation that the friendly and cooperative relations between the DPRK and Jordan and other Arab nations would grow stronger and develop, he extended warm greetings to the great President Kim Il-song and dear Comrade Kim Chong-il in the name of the parliament and people of Jordan.

Leaders at Meeting for Labor Law Anniversary

SK2406102991 Pyongyang KCNA in English 0958 GMT 24 Jun 91

[Text] Pyongyang June 24 (KCNA)—Today is the 45th anniversary of the promulgation of the historic labour law instituted by the great leader President Kim Il-song.

A national meeting to commemorate the 45th anniversary of the promulgation of the law was held here on June 23.

Choe Yong-nim, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and vice-premier of the Administration Council, made a report.

The reporter said:

The great leader gave shape to the democratic labour program established in the period of the anti-Japanese revolutionary struggle in compliance vth requirements of the socio-economic development in our country after the liberation and eventually promulgated "Labour Law for the Workers and Office Employees in North Korea" on June 24, 1946.

The great leader President Kim Il-song has taught:

"The labour law, for the first time in the history of our people and the Korean working-class movement, introduced the eight-hour day and social insurance and freed the workers from appalling colonial working conditions, thereby enabling our working class, the main detachment in building the country, to bring its creativity into fuller play and improve its material and cultural life rapidly.

With the enactment and enforcement of the labour law, a most democratic and popular labour discipline in the history of our country has been established and the eight-hour day, a fair labour-wage system and a paid leave introduced for all the workers. It brought about a radical change in our people's labour and completely liquidated the remnants of the harsh colonial labour system of the Japanese imperialists.

The enforcement of the labour law was a historical change which fully realized the program on labour at the stage of the anti-imperialist, anti-feudal democratic revolution in our country.

The great leader gave a comprehensive exposition of the labour question arising anew after the fulfilment of the socialist revolution and the establishment of the socialist system in our country and ways for its solution and embarked on the original road of solving the labour issue under socialism.

The socialist labour law provided by the great leader on April 18, 1978 is a labour law which constantly enhances the position and role of the working masses in social life and defends their rights and interests most thoroughly and an outstanding labour charter which scientifically expounds the way for the final solution of the labour question.

Our socialist labour law is a firm guarantee to give full play to the vitality of the most superior labour system of man-centered socialism of our style, the embodiment of the chuche idea, and make the labour life of our working people freed from all fetters of exploitation and oppression more independent and creative.

The socialist labour system firmly established in our country today is a people-first socialist labour system which enables the working people to be a genuine master of labour and production and solves all the matters arising in labour, centering on the working people. It is also a most popular labour system under which the party and state provide all the working people with good working and living conditions in a responsible manner.

Valuing the working people most, taking good care of them and solving all the problems arising in labour life with the working masses as a centre this is the essential character and incomparable advantages of our socialist labour system fundamentally different from the capitalist society in which labour is despised, the working people are exploited and they are regarded only as the object of exploitation and as the producer of surplus value.

Unemployment has long been eliminated in our country and our people do not so much as know the words of the "unemployed". Tax system has completely been abolished.

Our people are now provided with all the conditions needed in clothing and housing including food by the state at the price next to nothing, enjoying benefits of free education and free medical care.

All the changes and proud successes achieved by our people in the struggle for the solution of the labour question in the past are a result of the wise guidance of the great leader and our party and a precious fruit of the vitality of our party's chuche-based policy of labour.

The meeting was participated in by Yon Hyong-muk, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Han Song-yong, member of the Political Bureau and secretary of the WPK Central Committee; and other party and state senior officials and officials concerned as well as working people in the city.

Also present there were members of Chongnyon delegations and home-visiting groups staying in the homeland and Korean compatriots from China.

Kim Il-song Works Published in Other Languages

SK2606152191 Pyongyang KCNA in English 1501 GMT 26 Jun 91

[Text] Pyongyang June 26 (KCNA)—A collection of immortal classical works of the great leader President Kim Il-song "Answers to the Questions Raised by Foreign Journalists" (Vol. 4) was recently brought out in English, Chinese, French and German by the Foreign Languages Press Group.

The collection carries 28 works of President Kim Il-song including answers to questions raised by foreign journalists, talks with them and speeches at several international conferences from 1983 to 1988.

It prints "let us shatter imperialist moves toward aggression and war and safeguard peace and independence", a speech of President Kim Il-song at a banquet given in honour of delegates to the world conference of journalists against imperialism and for friendship and peace held in Pyongyang in July, 1983.

Edited in it are answers to questions raised by the managing editor of the Japanese political and theoretical magazine SEKAI, the deputy director of GRANMA, organ of the C.C.[Central Committee], the Communist Party of Cuba, the editor-in-chief of the Yugoslav newspaper OSLOBODJENJE and the chief of the bureau of the Italian radio and television for the Far East.

Also printed in the collection are "To Prevent War and Preserve Peace is the Burning Task of Mankind", a speech at a banquet given in honour of the participants in the Pyongyang International Conference for the denuclearization and peace on the Korean peninsula and "Let Us Develop North-South Cooperation", a congratulatory speech at the extraordinary ministerial conference of non-aligned countries on south-south cooperation.

President Kim Il-song in his works gave clear answers to all theoretical and practical problems arising in the development of the world revolution and the Korean revolution including the question for socialist countries and all communist and workers' parties to firmly adhere to the revolutionary principles and stand against the moves of the imperialists who, faced with a serious political and economic crisis, conspire with each other in directing the spearhead of attack to the socialist countries and revolutionary people on the question of further developing the non-aligned movement, success and experiences gained by the Korean people in all fields of the revolution and construction by embodying the chuche idea, the policy of the Workers' Party of Korea on national reunification and struggle for its materialization.

Production, Finance Summation System Viewed

SK2306050791 Pyongyang Korean Central Broadcasting Network in Korean 0008 GMT 19 Jun 91

[NODONG SINMUN 19 June special article: "Daily Production and Finance Summation System Is Popular Industrial Management Method of Our Style"]

[Text] To deepen and develop the daily production and finance summation system worked out by the dear leader Comrade Kim Chong-il is an important task to strengthen the produce-and-save-more struggle in all sectors and units of the national economy, to create the speed of the nineties, and run the nation's economy more frugally.

The dear leader Comrade Kim Chong-il, after introducing the creative daily production and finance summation system energetically has led the struggle for its complete realization. In this way, he has opened a broad road that has enabled the popular masses to accept economic management as their own business, to normalize production at a higher level, and to run the nation's economy assiduously.

The daily production and finance summation system, the most reasonable form that renders the socialist financial management the producing masses' own job, is a creative industrial management method of our own style which is conducted at the elementary production units and sections of the institutions and enterprises, with all the members of these units and sections in attendance, keeping in line with the daily summation of production.

The dear leader Comrade Kim Chong-il has noted: The daily production and finance summation system is our own style of system of financial review and industrial management method which has satisfactorily embodied our party's chuche idea and mass lines.

The daily production and finance summation system is a system of financial review that is centered on man, the social being, in the correlation of man and finance, and managed finance based on man's role.

All the material wealth of society is to be produced as a result of men's activity and their creative labor. This being the case, the financial resources necessary to guarantee independent and creative living conditions for men can be provided only by men and [word indistinct] of the financial resources already in place, too, is for men.

The man-centered question that is related to man's position and role should be made the basis even in the financial management and financial summation.

The daily production and finance summation system, one that has most correctly embodied the principle of the chuche idea, is our own style of a revolutionary and scientific system of summation of finance and industrial management method for producing and running the nation's economy based on the role of the producing masses, the master of production and management, with man at its center.

The daily production and finance summation system is a superior industrial management method that makes the producing masses fulfill their responsibility and play their role in production and management.

Making the producing masses fulfill their responsibility and play their role in production and management as the masters is not something that can be solved automatically. It can be solved satisfactorily only when production and management are substantively preplanned and supervised according to the demand of the developing reality and when consciousness is raised in the producing masses about production and management activity.

In the daily production and finance summation, the stand and attitude of being the master and the creative zeal that people have displayed in the fulfillment of their production quotas, as well as the nation's economy, are assessed with concrete data and with spot goods, that is, money, not in general words, and, based on this, material assessment is made, along with the political assessment. The daily production and finance system makes it possible for each work team to sum up every day in a mass manner the profit and loss that it has given to the state, to liquidate old and outdated ideological legacies through the course of introducing and emulating the positive models which arise in the course of dealing with the nation's economy and financial management, and, thus, to conduct finance management, relying on the lofty revolutionary awareness and zeal of the broad segments of the masses.

This tells us that the daily production and finance summation system is the finance summation system and enterprise management method of our style which enhances the producer masses' revolutionary zeal and creative positiveness in increasing production and in assiduously managing the nation's economy so that the masses themselves should manage and operate the economy with the responsibility and work style of being the master. The daily production and finance summation system makes it possible to effectively manage and operate the country's economy by enhancing the level of the planned control and management of the socialist economy and correctly utilizing the lever of value. The daily production and finance summation system also makes it possible for producers and work teams to reckon their profits and losses in terms of money, to calculate their cost, and, based on this, to assess their management activities by correctly utilizing the lever of value.

Accordingly, the system makes it possible to expand and embody the utilization of the lever of value even into the internal units of enterprises, to combine the results of finance summation with the socialist labor remuneration system, and to conduct mass supervision and control and financial control.

Thus, the daily production and finance summation system makes it possible to enhance the level of the planned control and management of socialist enterprises and to more scientifically and reasonably conduct management activities in all sectors of the national economy by correctly utilizing the lever of value. The daily production and finance summation system is the unique enterprise management method of our own style which has extensively embodied the demands of the great Taean work system. The Taean work system is a most scientific and reasonable economic management system which has embodied the mass line and scientific principle in conformity with the inherent demands of the socialist society.

The daily production and finance summation system makes it possible to thoroughly implement the mass line in economic management and to scientifically and reasonably manage and operate the economy, because it has embodied the demands of the Taean work system. The daily production and finance summation system makes it possible to most successfully solve the question on the active participation of the producer masses in economic management. It is related to the fact that the daily production and finance summation system leads the producer masses to participate in summation work without fail.

The producer masses are not only the masters of production and management, but the masters in the summation work on production and management. Only when the producer masses, who produce products and manage the economy, participate in the summation work on their production activities, can we say that they correctly exercise the right of being the masters. In the daily production and finance summation, the producer masses deem it their dignified right and duty to participate in summation work and, therefore, participate in summation work after their daily work ends. Thus, the daily production and finance summation system leads the producer masses to actively participate in enterprise management and, thus, makes it possible to carry out and develop production and management in conformity with the producer masses' own demands and interests.

The daily production and finance summation system also enables the producer masses to cultivate the viewpoint and attitude of being the master in the fulfillment of production quotas and the overall nation's economy. Cultivating among the producer masses viewpoint and

attitude of being the master in the fulfillment of production quotas and the nation's economy is an important factor which makes it possible for them to occupy the position as the master of production and management and to play the role as the master. The daily finance summation, which is conducted in combination with the production summation, ideologically analyzes and sums up not only the fulfillment status of production and conservation tasks, but all fields and processes of economic management activities, including technological management, facility management, labor management, production and organization, and calculation and financial management work, placing the status of people's activities to implement economic tasks at the center.

In this process the people can further possess the self-awareness of being the master of production and the master of the nation's economy.

Due to its transitional character, in a socialist society there still remains in the peoples' minds the dregs of old ideas and the essential [word indistinct] of labor. Therefore, political, moral, and materialistic incentive, and indoctrination and control must be correctly combined. By doing so, the producers can responsibly fulfill the duty of the entrusted production plan, and foster the viewpoint and attitude of being the master to frugally carry out the nation's economy.

The daily production and finance summation system allows an overall assessment of and makes it possible to emulate good experiences in the results achieved in the process of producing products and carrying out economic activities. At the same time with the method of comradely cooperation, this makes it possible to overcome insufficient points and to correctly combine materialistic incentive, and indoctrination and control. Then, the producer masses can find more reserves for increasing production and practicing conservation, and can foster the viewpoint and attitude of being the master in the fulfillment of carrying out the entrusted plan with responsibility to the end.

As such, the daily production and finance summation system actively gives prominence to the producer masses as the master of production and management, and also makes them carry out the responsibility and play the role of master. This shows that the daily production and finance summation system is a finance summation system of our own style which magnificently embodies our party's chuche idea and mass line, and that this is the method in managing the enterprises.

We must further strengthen, intensify, and develop the daily production and finance summation system which our party created. In order to achieve this, all the plants, enterprises, and summation units must first of all thoroughly systemize and make this work a part of their daily routine, and carry it out practically so that its superiority and vitality can be highly enhanced.

In all sectors of the people's economy, it is important to further maintain each sector and district as exemplary units that substantially carry out the daily production and finance summation system. It is also vital to organize well some kinds of lectures on the [word indistinct] method and exchanging experiences to generalize this experience.

An important demand put forth by our party is to carry out the daily production and finance summation system in close relation to the exemplary work team movement for production and conservation.

The daily production and finance summation must be vigorously fulfilled in relation to the exemplary work team movement for production and conservation so that the speed of the nineties can be created in all sectors of the people's economy and further carry out the nation's economy frugally.

In all sectors of the people's economy, the production task and the conservation task must be interlocked with the resolved target of the exemplary work team movement for production and construction. Also, the fulfillment of its circumstances must be summarized and assessed everyday.

The daily production and finance summation system is a superior and viable method to manage enterprises which enhance the level of the planned control and management of the socialist enterprises as demanded by the Taean work system, and which further makes it possible to scientifically and rationally control and manage the overall people's economy.

All functionaries must work to highly enhance the superiority and vitality of the daily production and finance summation system which our party created. By doing so the nations' economy can be fulfilled more frugally and the great revolutionary upsurge can once again be launched in the socialist economic construction.

Daily Discusses 'Communistic Traits' of Society

SK2206112291 Pyongyang KCNA in English
1027 GMT 22 Jun 91

["Display of Communistic Traits Is Pride of Our Socialism"—KCNA headline]

[Text] Pyongyang June 22 (KCNA)—NODONG SINMUN today devotes one whole page to a signed article about the socialist society of our country which has now turned into the best society of justice and harmony where communistic traits prevail.

The article says:

How superior a social system is finds most tangible expression in the way of life of people who live under the system and their spiritual and moral traits.

The dear leader Comrade Kim Chong-il has said:

"In our society all the people are closely united as one on the basis of revolutionary obligation and comradeship

and are fighting together, helping and leading each other forward on the principle of one for all and all for one. This is the greatest pride of our society and it is inconceivable in capitalist society; it is the very source of our people's boundless happiness and their unconquerable strength."

The entire people's noble traits of remaining boundlessly loyal to the leader of revolution are given full play in our socialist society.

Today our people have firmly armed themselves with a revolutionary outlook on the leader and acquired the greatness of their leader and party as their faith.

As sons and daughters follow their parents and uphold their true intentions, our people regard it as their natural duty and noble obligation to cherish intense loyalty and filial piety to the respected leader Comrade Kim Il-song who has given them all the honor and happiness. Our people follow the idea of their party and leader and find the joy and worth of life in upholding and carrying into effect the intentions of the party and leader and are ready to go through water and fire for the party and leader. This noble trait of our people could be brought into full play only under our socialist system where loyalty to the party and leader is prevalent in the whole society.

In our society where communistic traits prevail the entire people devotedly work for the interests of the party and revolution and the society and the collective. Our socialism is one being built and developed through singlehearted unity by true revolutionaries of chuche-type who are firmly equipped with the collectivistic outlook on life. Their hearts with the single idea of how they can do a lot of work for the prosperity and development of the country and make greater contributions to it. This is the very noble traits of our people.

The sublime revolutionary spirit of setting greatest store by and loving man and sparing no efforts for comrades is highly displayed in our country where communistic traits prevail.

It is common phenomenon in our country to donate one's blood and flesh to one's revolutionary comrades, and such self-sacrificing deeds as dedicating their youth and life for the sake of one's comrades can be seen often in our country. This is inconceivable in capitalist society where man's personality is ignored and the jungle law holds sway.

The advantages of our society in which communistic traits are now given full scope are clearly displayed in the fact that the entire people participate in labour honestly and consciously and intensively love common property of state and society.

It is the precious fruition of the wise leadership of our party that the ideological and spiritual world of our people has developed to a new higher stage and it sheds rays as an excellent society where the communistic traits of our style socialism holds sway.

Under the wise leadership of the glorious party with the respected leader Comrade Kim Il-song held in high esteem our people have acquired noble spiritual and moral traits on a sublime level, the traits which true human beings and socialist working people should possess, and become proud people creating a glorious history of communistic traits never seen in any society.

Underlying the communistic traits which are fully displayed among our people are without exception the lofty idea and spirit and noble moral traits implanted by our party into them through tireless education, the article says, adding:

Particularly, our party has thoroughly established the socialist way of life based on collectivism and led our people to acquit themselves well in revolutionary practice and organisational life so as to step up revolutionisation and working-classisation of the whole society and fully display the advantages of socialism of our style.

No unsound practices such as leading an inhumane life, sacrificing other's interests or pursuing only personsal ease and pleasure like in capitalist society can be found in our country where the socialist way of life is being fully established by purposeful efforts of our party.

'Own Style' of Socialist Construction Urged

SK2506090691 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 22 Jun 91

[NODONG SINMUN 22 June editorial: "Let Us Vigorously Accelerate Socialist Construction in Our Own Way"]

[Text] Today we are faced with the task of more highly displaying the superiority of socialism of our own style by actively accelerating the revolution and construction.

The important issue in carrying out this glorious task is for all domains to thoroughly embody the party's slogan for living in our own way.

Dear leader Comrade Kim Chong-il has indicated: Upholding the party's slogan, "Let us live in our own way," we should carry out the socialist and communist construction in accordance with the practical situation in our country and with our people's demand.

Acceleration of socialist construction in our own way is an important slogan which our party consistently put forward. This slogan of the party includes the firm position of our party and our people to live according to our principles under any circumstance by upholding the banner of the chuche idea and to accomplish the socialist construction to the end with our own strength.

Because this slogan correctly reflects the demand of the times and our people's revolutionary aspirations, it has become the firm faith and will of our party and our people. This slogan is displaying great vitality in all domains of socialist construction.

The important factor, which enables one to always effect brilliant success and victory in socialist construction, lies in living and working in accordance with the demand of this slogan by consistently adhering to it.

Upholding the party's slogan on accelerating the socialist construction in our own way, all party members and workers should vigorously accelerate the revolution and construction according to the practical situation in our country and with our people's demand.

What is more important than anything else in doing this is for all party members and workers to firmly arm themselves with our party's lines and policies and to thoroughly embody them in their work and life.

Our party's lines and policies, which embody the great chuche idea, are a unique guideline for accelerating the socialist construction in our own way. The words, "according to our principles," [chejongsinuro] to us mean our party's ideas and policy. In the party's lines and policies, all theoretical and practical questions raised in our revolution and construction, as well as their implementation methods, are comprehensively elucidated.

Only when our functionaries and workers firmly arm themselves with the chuche idea and our party's policy—the embodiment of the chuche idea—and make it their bone and flesh and firm faith, can they independently speculate and act according to their own principles. Thus, they can deeply understand the principle of revolution, strategy and tactics, and theory on method to reform nature and society according to the demand of chuche and can always carry out the socialist construction in our own way.

By brilliantly embodying the chuche idea, our party put forward a great number of such unique socialist construction lines and policies of our own style such as the three revolutions line, the Chongsanri spirit and Chongsanri method, and the Taean work system.

By firmly adering to our party's unique socialist construction lines and policies, we should carry out the revolution and construction in our own way by taking these lines and policies as guideline.

In particular, functionaries and workers should thoroughly accomplish our party's three revolutions line and vigorously accelerate the socialist construction.

The line of the three revolutions—ideological, technological, and cultural—is a scientific line which enables one to occupy both the ideological and material fortresses of communism and is a revolutionary line which enables one to victoriously advance the socialist cause and to completely realize the independence of the popular masses.

By thoroughly embodying our party's three revolutions line in all domains of revolution and construction, all functionaries and workers should accelerate the work of reforming man, society, and nature.

Upholding the slogan of loyalty, "What the party decides, we will do," party members and workers should accept the party's lines and policies as the demand of their life and should thoroughly implement them based on the principle of absoluteness and unconditionality. Thus, they should see to it that these lines and policies bring brilliant fruition.

Another important thing in accelerating the socialist construction in our own way is to make all party members and workers have lofty pride that the revolutionary gains and innovations attained under the guidance of our party are the best.

National pride and dignity are the ideological and spiritual source which enables the people to live and carry out the revolution with their own strength by cherishing a lofty sense of self-respect.

National pride and dignity cherished by our people are the pride and dignity that our leader and our party are the best, and the chuche idea, the socialist system of our own style, and all innovations and properties we have attained are the best. They are the lofty consciousness and will to further glorify the chuche socialist cause.

Only when we have the pride that the firm self-reliant socialist economy and creations we have attained under the guidance of the great party are the best, can we carry out everything in our own way without envying others.

All party members and workers should have a lofty pride in socialist economic management methods of our own style, in the firm foundation of self-reliant national economy and in great creations and assets of the era of the Workers' Party which have been realized under the guidance of our party. Thus, we should actively defend and develop them.

In particular, we should thoroughly implement the Taean work system, the chuche-oriented and unique economic management system whose justness and vitality have been fully proven through practice, and should display the superiority and potential of socialist economy which is based on collectivist possession.

All functionaries should carry out in our own way the work of reforming the people's ideology and of inspiring their revolutionary zeal and creative activeness. They should also guide the socialist economic management and production in accordance with the principle of socialism and collectivism.

Another important thing in accelerating the socialist construction in our own way is to encourage all party members and workers to produce and build more, more rapidly and better with our own strength, with our own resources and with our own technology by highly displaying the revolutionary spirit of self-reliance and arduous struggle.

Effecting a great upsurge in the revolution and construction by highly displaying the revolutionary spirit for

self-reliance is a firm guarantee for successfully implementing the party's slogan calling for acceleration of socialist construction in our own way.

Only when one firmly provides one's own assets under the banner of self-reliance, can one actively accelerate the socialist construction with what belongs to oneself and tenaciously maintain one's revolutionary faith under any circumstance.

All party members and workers should highly display the revolutionary spirit of self-reliance and arduous struggle on all fronts of socialist construction with such spirit and vigor as demonstrated during the period of the great Chollima upsurge. Thus, they should actively accelerate production and construction.

Functionaries and workers should run the nation's household in a frugal manner worthy of masters of the nation and plants, thus avoiding waste, and should increase production and practice every economy. They should wage a vigorous struggle to discover and mobilize more internal reserves.

All domains of the national economy should produce what is not available and discover what is short, and should vigorously wage a mass struggle to discover and mobilize various internal reserves to more effectively use them.

At the same time, all domains and units should innovate technology through constant analysis [sasaek], energetic research, innovative initiative, and bold practice. Thus, they should produce more large-size materials and new useful facilities, and should give full play to the might and potential of the existing economic foundation by constantly perfecting technological production process.

In particular, functionaries and workers in preceding domains of the national economy, including the mining industry, electric industry, and railway transport sector, should discover more reserves for production increase and conservation, and should effect constant production upsurges.

We should vigorously accelerate the socialist construction in our own way with what is ours, including rich coal and iron ore in our country.

Construction of major plants and facilities, including Sariwon Potash Fertilizer Complex, 9 October Iron and Steel Plant, and other power stations, is a gigantic construction project with fundamental significance for strengthening chuche in national economy and for achieving the major targets of the third Seven-Year Plan.

Our party gives great significance to construction of major plants and facilities, which will further strengthen chuche and the might of the self-reliant socialist economy in our country. Our party is wisely leading the struggle to implement this.

Upholding the party's gigantic plans, builders and soldiers of the People's Army who participated in the construction of major plants and facilities should fulfill the construction targets they resolved before the party by displaying the patriotic spirit of dedication and the mass heroism. Thus, they should further strengthen the self-reliant nature and might of our economy and actively contribute to accelerating the socialist construction in our own way.

What is important in vigorously accelerating the socialist construction in our own way is for party organizations at all levels to actively carry out the ideological indoctrination work for party members and workers.

Party organizations should make party members and workers at each domain and each unit keenly realize the party's intention for accelerating the socialist construction in our own way, and should explain to them in detail what they should do if they want to accelerate production and construction in our own way based on the practical situation.

At the same time, using visual aids, party organizations should substantively carry out indoctrination work based on rich experience in the struggle of our revolution, which accelerated the socialist construction in our own way, and on the wise nature of our party's leadership. Thus, they should encourage all party members and workers to effect a greater upsurge in the revolutionary struggle and construction projects with firm faith in socialism and great national pride.

All party members and workers should actively accelerate the socialist construction in our own way by upholding the banner of the chuche idea. Thus, we should give full play to the might of our fatherland and to the honor of our people.

KCNA Review of 25 Jun Pyongyang Press

SK2606033491 Pyongyang KCNA in English
0914 GMT 25 Jun 91

[Press review]

[Text] Pyongyang June 25 (KCNA)—Papers here today carry a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and resident of the Democratic People's Republic of Korea, to Joaquim Alberto Chissano, president of the Frelimo [Mozambique Liberation Front] Party and president of the Republic of Mozambique, the occasion of the 16th anniversary of the independence of Mozambique and founding of the Republic of Mozambique. Carried in NODONG SINMUN are message of solidarity to President Kim Il-song of the Democratic People's Republic of Korea from President Muhammad Husni Mubarak of the Arab Republic of Egypt on the occasion of the month of solidarity with the Korean people and a report that President Kim Il-song received a message from President France Albert Rene in reply to his message of greetings sent on the 14th anniversary of the national day of the Republic of Seychelles.

The paper coveys voices of South Korean people highly uprising the dear leader Comrade Kim Chong-il as an illustrious leader of poplar politics" and tender-hearted father". Given in the paper is an account of a lecture on the work of Comrade Kim Chong-il "Our Socialism for the People Will Not Perish" given in India.

Printed in the paper is an article on the wise guidance of the great leader President Kim Il-song who promulgated the labour law after the liberation of the country to open broad avenue to the factory and office workers for fruitful labour and a new happy life. A joint meeting of employees of the [word indistinct] youth chemical complex and officials of related enterprises and organs was held on the spot to boost fertilizer production, says the paper.

According to the paper, an inaugural meeting of a group for the study of the chuche idea [word indistinct] revolutionary work camps association of Nigeria.

The press gives an account of the sojourn in Chagang Province of Seychellois President France Albert Rene on a state visit to the DPRK. NODONG SINMUN and MINJU CHOSON come out with editorials respectively headlined "The U.S Imperialists Must Give Up Their Nuclear War Clamor and Quit South Korea at Once" and "Let Us Check and Frustrate New War Provocation Moves of the U.S. Imperialists and the South Korean Puppets" on the occasion of the June 25, Day of Struggle Against U.S. Imperialism "Great Leadership, Invincible Might" is the title of a NODONG SINMUN article.

Papers report that mass rallies and demonstrations were held at provincial seats and a national revenge-[word indistict] meeting of school children took place in Sinchon County, South Ywanghae Province, to mark the day.

[Words indistinct] that the U.S. imperialists started the Korean war are printed in the press.

Papers convey a statement released by the Committee for the Peaceful Reunification of the Fatherland denouncing the "unification by absorption doctrine of the South Korean chief executive.

Appearing in the press is an information of the Korean Anti-Nuke Peace Committee titled "On the Mass Deployment of Nuclear Weapons in South Korea and Continued Nuclear Threat by the United States in Asia".

The press gives an account of the conference of the Korean Student Committee held in Pyongyang to discuss measures to successfully ensure the July 7 talks between Korean students in the North and the South and [passage indistinct].

KCNA Review of 27 Jun Pyongyang Press

SK2706064991 Pyongyang KCNA in English
0516 GMT 27 Jun 91

[Press review]

[Text] Pyongyang June 27 (KCNA)—Papers here today report that President Kim Il-song of the Democratic People's Republic of Korea received a message from Indonesian President Suharto in reply to his message of greetings on the latter's 70th birthday.

Printed in NODONG SINMUN is a letter to the great leader President Kim Il-song from the National Executive Committee of the July 19 Sandinist Youth, the participants in the inaugural ceremony of the "international solidarity march for supporting Korea's reunification."

The paper reports that a seminar and a lecture on classical works of President Kim Il-song were held in different countries.

The paper conveys words of South Korean people highly praising the dear leader Comrade Kim Chong-il as the lodestar of the nation.

Foreign publications reported Comrade Kim Chong-il's work "Our Socialism for the People Will Not Perish", according to the press.

Seen in NODONG SINMUN is a message of greetings sent by the Central Committee of the Workers' Party of Korea to Ingve Iversen on his election as chairman of the Central Committee of the Norwegian Communist Party.

Papers report that thanks of the Central Committee of the Workers' Party of Korea were conveyed to the working people and school children in Hyangsan County, North Pyongan Province, for their active assistance to the construction of the Hyangsan senior middle school and the Hyangsan primary school.

NODONG SINMUN editorially calls for creditably carrying forward down through generations the noble traditions of the revolutionary fighting spirit highly displayed in the arduous periods of the revolution.

The economic news columns of papers include a report that the Musan mining complex fulfilled the iron headings production quota for the first half of the year.

Printed in papers is a joint communique on establishing diplomatic relations and exchanging diplomatic envoys between the DPRK Government and the Belize Government.

NODONG SINMUN reports that the inaugural meeting n the Belgian Committee for Peace and Reunification of Korea was held.

"Fidelity to the party and the leader fully displayed by men and officers of the People's Army during the Fatherland Liberation War" is the title of a signed article of the paper.

Carried in the press are accounts of mass rallies and demonstrations held in provincial seats to mark "June 25, Day of Struggle Against U.S. Imperialism".

Dailies carry a statement issued to the press by the spokesman for the North side's delegation to the North-South high-level talks in connection with the fact that the South Korean authorities are stepping up their separatist moves to lay obstacles in the way of the talks.

NODONG SINMUN charges in a commentary that the South Korean authorities set free criminals who had been imprisoned for involvement in irregularities in the days of the "Fifth Republic", while intensifying suppression of the democratic forces.

The paper carries the gist of a statement of the spokesman of the South Korean National Democratic Front on the rigging of "elections of large city and provincial councils" through violence and fraud in South Korea.

South Korean news of the press includes the report that the National Teachers' Union and the Federation of Women's Organizations of South Korea called for turning June into a month of peace and reunification.

The U.S. imperialists and the South Korean puppets committed provocative war manoeuvres against the North in a dangerous stage, says the press.

NODONG SINMUN in an article says that the traitors in South Korea who try patriots must not be pardoned.

Remaining highlighted in papers are home and foreign public voices supporting the joint statement of the political parties and public organisations of the DPRK on getting nuclear weapons withdrawn from South Korea and removing the danger of nuclear war from the Asian region.

In a commentary entitled "It Is Not a Position To Solve Problem" NODONG SINMUN denounces the United States for laying obstacles in improving the DPRK-U.S. relations, bringing forward "conditions for improving relations" such as DPRK's "acceptance of nuclear inspection" and "renunciation of terrorism".

Given in papers is an account of a meeting held here to mark the 31st anniversary of the independence of Madagascar.

NODONG SINMUN reports that Comrade Fidel Castro called on a special plane—"Orbis" Ophthalmological Hospital—the Secretariat of the MC., the Communist Party of the Soviet Union and the Supreme Soviet of the USSR published appeals on the lapse of 50 years since the invasion by fascist Germany and the first vice-president of Iran denied the rumor about Iran's development of nuclear weapons.

MINJU CHOSON introduces Djibouti.

South Korea

Nuclear-Related Test Explosion Reported in North

SK2706032291 Seoul THE KOREA TIMES in English 27 Jun 91 p 3

[Text] Traces have been detected of a North Korean test explosion for devices that could detonate nuclear weapons, the Defense Ministry officials said yesterday.

There was no explanation of what kind of sensing equipment was used to monitor the reported explosion in Yonbyon, 90 kilometers north of the North Korean capital of Pyongyang.

"The test clearly indicates that North Korea is developing nuclear weapons," the officials said quoting one intelligence officer.

North Korea, since the late 1980s has been developing a new model of the Soviet-made Scud-B missile dubbed the Nodong-1 missile whose effective range is approximately 500 kilometers.

An army major general, in charge of an authoritative intelligence bureau, said that North Korea had concentrated on development of a new-model medium-range surface-to-surface missile patterned after the Soviet-manufactured Scud-B missile over the past several years.

The general observed that the ground-to-ground missile named Nodong-1 missile would not only hit targets in South Korea but would reach the neighboring country of Japan, when the weapon is developed for operational service.

The Pyongyang regime, which started to produce basic military weapons in the 1960s, has shipped light weapons, ammunitions, battle tanks, missiles and submarines worth roughly $5 billion since the 1970s to Third World countries.

The major weapons customers of North Korea, he added, are Iran, Syria and Libya.

North Korea is the world's seventh largest weapons exporter and, with a population of 23 million, the global leader in per capita terms.

He went on to say that more than 100 defense industrial firms were manufacturing an assortment of weaponry ranging from attack rifles and tanks to missiles, aircraft parts and submarines, capable of switching about 130 factories into arms plants immediately in time of war.

The general, meanwhile, said North Korea stopped the construction of the Mt. Kumkang Dam which it began to build in 1986.

North Korea, he said, seemed to have stopped the construction of the 120-meter-high dam owing mainly to the 1989 World Festival of Youth and Students and the 1991 Interparliamentary Union Conference in Pyongyang.

North 'World's Seventh Biggest' Arms Exporter

SK2606094891 Seoul YONHAP in English 0902 GMT 26 Jun 91

[Text] Seoul, June 26 (OANA-YONHAP)—North Korea is the world's seventh biggest arms exporter and sells customers in over 50 nations a wide range of items from ammunition to missiles, and from tanks to submarines, a highly placed South Korean military source revealed Wednesday.

"As of the end of last year, the aggregate exports of military items by North Korea since the 1970s amounted to 5 billion U.S. dollars, ranking it as a major arms exporter behind the United States, the Soviet Union, France, Britain, China and Germany," he said.

"North Korea began mass-producing an improved version of the Scud missile with a range of 500 kilometers in 1987 and has so far exported over 200 missiles.

"More recently, it began developing a new type of missile, dubbed 'Nodong 1,' which can put Japan within range," he said.

Evidence suggested that a big explosion at Yongbyon, some 90 kilometers north of Pyongyang, was caused by conventional explosives and was a prelude to nuclear arms development.

Work on a dam at Kumgangsan that could be used to flood Seoul resumed in August 1988 and could be completed in two to three years, he said. Pyongyang suspended construction in July 1987 to finish preparations for a youth festival in July 1989 and a meeting of the Inter-Parliamentary Union this April.

PRC's Qian Qichen Delivers Kim Il-song Message

SK2706031191 Seoul YONHAP in English 0241 GMT 27 Jun 91

[Text] Tokyo, June 27 (YONHAP)—Visiting Chinese Foreign Minister Qian Qichen said Wednesday he was looking forward to a prompt resumption of negotiations between Japan and North Korea on the normalization of bilateral relations.

In a meeting with his Japanese counterpart, Taro Nakayama, Qian reportedly delivered a message from North Korean President Kim Il-song regarding the talks and expressed his hope for brisk progress in the negotiations. Nakayama replied he wished to have talks "in accordance with principles."

It was the first time Kim hinted at his wish to resume the talks, even through a third person.

The Japanese media are reporting that the fourth round of Tokyo-Pyongyang talks is at hand, propabaly in late August in Beijing shortly after Prime Minister Toshiki Kaifu's visit to China.

The third round of talks ended fruitlessly in April with no schedule set for the next meeting because of Japan's call for outside inspection of North Korean nuclear facilities and the repatriation of Yaeko Taguchi, a Japanese woman who allegedly taught Japanese to Kim Hyon-hui, the North Korean saboteur who blew up a South Korean airliner with 115 people aboard.

Qian Qichen on UN Entry

SK2706074491 Seoul YONHAP in English 0732 GMT 27 Jun 91

[Text] Tokyo, June 27 (YONHAP)—China would welcome the simultaneous entry of South and North Korea into the United Nations, Chinese Foreign Minister Qian Qichen said Thursday.

It would be good for both Koreas and for the United Nations, Qian told Keizo Obuchi, secretary general of Japan's ruling Liberal Democratic Party. Qian arrived in Japan on Tuesday.

In May, Pyongyang announced it would apply for U.N. membership separately from Seoul, which had already declared that it would join the world body this year, in a surprising turnabout from its long- held position that the two Koreas should share a single seat in the world body.

In a separate meeting with Shin Kanemaru, a former deputy prime minister, China's foreign minister said North Korea had become flexible after Kanemaru visited Pyongyang last fall.

Kanemaru's visit prompted North Korea to announce it would join the United Nations and allow international inspection of its nuclear facilities, he said.

Kanemaru visited Pyongyang to discuss a thaw in the frozen relations between North Korea and Japan.

North on South Investment Via Third Countries

SK2706013191 Seoul YONHAP in English 0059 GMT 27 Jun 91

[Text] Seoul, June 27 (OANA-YONHAP)—North Korea suggested it will not reject investment from South Korea if made through a third country, a Trade and Industry Ministry official said Wednesday.

The official, speaking at a meeting on exports sponsored by the Korea Foreign Trade Association, said South-North Korean contacts in third countries are increasing and Pyongyang's open position on investment will soon make possible joint ventures.

"North Korea is suggesting that it will 'remain tacit' about investment from South Korea if it is made through a third country," the official said.

"There are growing spirit of detente between East and West, improvement in Seoul-Moscow relations and changes in regional political conditions, and considering

North Korea's material shortage and dire need of economic support, inter-Korean trade will dramatically flourish in the future," the official said.

Trade items will most likely include South Korea's consumer products, machineries and household appliances and North Korea's cement, farm and marine products and raw materials, he said.

Inter-Korean trade between 1988 and 1990, mostly shipped via a third country, amounted to South Korea's import of 44.15 million U.S. dollars and export of 4.8 million dollars.

First three months of this year recorded Seoul's import of 65.67 million dollars and export of 12.57 million dollars.

North Urged To Unconditionally Resume Dialogue

SK2706105291 Seoul YONHAP in English 1040 GMT 27 Jun 91

[Text] Seoul, June 27 (YONHAP)—The National Unification Board called on North Korea Thursday to "unconditionally" return to the conference table and resume the stalled inter-Korean dialogue.

Board spokesman Choe Pyong-po said in a statement that it was extremely regrettable that North Korea failed to respond to the board's telephone message on April 8 calling for the resumption of inter-Korean prime ministers' talks suspended since February.

"Now that North Korea has decided to join the United Nations and promised to become a responsible member of the international community, it should also take a realistic attitude in inter-Korean relations and join in the efforts for national reconciliation and cooperation," Choe said.

Choe was responding to a North Korean statement issued on Wednesday. The statement said that North Korea would return to the high-level political talks, only when South Korea abolishes the National Security Law and the anti-communist policy, releases people who are in prison for making unauthorized visits to Pyongyang, and stops the annual "team spirit" military exercise it conducts with the United States.

* Authorities Discuss Stability of Power in North

912C0218A Seoul CHUNGANG ILBO in Korean 22 Apr 91 p 9

[Editorial: "Currently Kim Chong-il Has No Competitors; How Long Kim Chong-il's Power Will Last Is Uncertain"]

[Text] It appears to be almost certain that Kim Chong-il will succeed to power in North Korea. The question is can Kim Chong-il stably maintain the power or will his power soon be collapsed by another power.

Intensive discussions on the stability and continuity of Kim's power were held among world renowned authorities on North Korea on 18 April at the international seminar sponsored by the Tongwha Research Center, an organization affiliated with the Federation of the People of the Five North Korean Provinces.

Different predictions among authorities indicated, however, that prediction of the North Korean political situation is difficult. Sakai Takashi, a senior researcher of the Japanese Ministry of Justice who is well-versed on North Korean affairs, said, "When considering the security and peace in the Far East, it is necessary to be prepared to cope with the issue of coexistence with 'North Korea under Kim Chong-il's authority,' abandoning the hypothesis that North Korea will change as soon as Kim Il-song dies," and he argued that Kim Chong-il's power base is very extensive and stable.

He emphasized that Kim Chong-il's power is based on a wide spectrum of leadership, including the Workers Party of Korea [WPK], the Three Revolutions Teams and the military, propaganda and economy, leaders of the high echelon class and middle and lower class party leaders, multi-generation of young and old, and progressive as well as conservative power.

Professor So Tae-suk of the University of Hawaii also supported Takashi's evaluation that Kim Chong-il's power base is stable by saying, "Although there are opponents to Kim Chong-il in North Korea, they are neither well organized for challenging policies of the government and the party nor are there any indications of such a challenge."

Professor So predicted that there will be a change in leadership within the WPK in saying, "When Kim Chong-il succeeds to power, he will replace the power group of his father's generation with his generation."

Professor So also predicted that while maintaining the basic structure of the Political Bureau of the Central Committee of the WPK, Kim Chong-il will force the senior members of the former partisan group to retire, including O Chin-u, minister of the People's Armed Forces; Choe Kwang, chief of the General Staff of the People's Armed Forces; and Paek Hak-nim, minister of Public Security. He will also appoint the following individuals to important positions: the second generation partisan group, Kim Hwan (one of the State Administration Council's vice premiers) and Chon Pyong-ho (one of the party secretaries) and Kim Yong-sun (one of the party secretaries for international affairs), who is one of Kim's relatives; provincial committee members, So Yun Sok (South Pyongan), Kang Hyon-su (North Hwanghae), Choe Mun-son (Pyongyang), and Yim Hyong-ku (Kangwon) and some of the economic bureaucrats, Kim Tal-hyon (chairman of the External Economic Committee) and Kim Chong-u (one of the vice ministers of external economic affairs).

Professor So also predicted that since there are very few specialists in ideology, Hwang Chang-yop, who is in

charge of ideology matters in North Korea, and the graduates of the North Korea's think tank, the Academy of Chuche Sciences, will be appointed to important positions.

Yang Ho-min, representative of the Korea Forum [Hankuk Nondan], while agreeing with Professor So on the retirement of Kim Il-song's generation, predicted that, "If Kim Chong-il opts for an open policy and supports the South and North Korean efforts to simultaneously obtain UN membership, Kim might have to replace Hwang Chang-yop, one of the party secretaries in charge of ideology matters, and others."

Yang argued, however, that Kim Chong-il's power system will not last long on the following grounds: As long as North Korea adheres to the Marxist-Leninist ideology, Kim Il-song will have difficulty justifying the power transfer to his son; the power source of Kim Chong-il came from his father; and there are no precedents in the Soviet Union and in China of successful power transfer to hand-picked successors.

Kim Chang-sun, the chairman of the board of directors of the Research Institute for North Korean Studies, pointed out that, "Kim Chong-il's current power base has been given by Kim Il-song. Since there is no objective information, Kim Chong-il's capability to maintain power is doubtful."

Kim also predicted that, "While it is acknowledged that there is no one currently competing with Kim Chong-il, North Korea will face an economic crisis and feuds among two generations when Kim Il-song dies. And Kim Chong-il's power may survive for only a couple of years."

Kim also argued that approximately 1.5 million "people's intelligentsia," who are widely spread in the party, administration, industries, economic circles, social organizations, and people's armed forces, may not continue to show the loyalty to Kim Chong-il that they have shown to Kim Il-song.

On the other hand, Pak Han-sik, a professor at the University of Georgia, reminded that in North Korea there has been a movement to establish Kim Il-song's charisma and argued that, "During this process, Kim Il-song has been reputed as the originator of the chuche ideology and Kim Chong-il, as the one who embodies it. Therefore, the role of Kim Chong-il has also been reinforced."

Professor Pak showed, however, a pessimistic view on the longevity of Kim Chong-il's power by saying, "If Kim Il-song's charisma reaches a religious status in the minds of the North Korean people, the religious status will last long after his death. Since his charisma has not reached a religious status yet, it will probably fade away when Kim Il-song dies."

Amidst the prevailing opinion among seminar participants that under Kim Chong-il's power, techno-bureaucrats will be in power and Kim Il-song's charisma will eventually fade away, Seoul National University Professor Chang Tal-chung expressed an unusual opinion.

Professor Chang assumed that there is an ongoing movement of "political systemization" in North Korea and that it is comparable to the change of people's view of the world by the chuche ideology. If this movement is successful, Chang predicted that Kim Il-song's charisma will last a substantial period of time.

The remarks by a Soviet scholar Mikheyev, head of the Asia-Pacific region of the Soviet Academy of Sciences, also drew attention: The solidity of the Kim Il-song - Kim Chong-il system is based on complete isolation from the outside world, strict control by the party on political, cultural, and industrial affairs, and the limitation to the regional communications in North Korea. Although the North Korean leadership does not want any internal reform of its system, it is in a dilemma of coping with stability and openness while coping with the change in circumstances such as opening diplomatic relations between South Korea and the Soviet Union.

Mikheyev argued, based on his experience in North Korea, that "the North Korean people lack motivation and desire to achieve. In most of the production sites close to residential areas, with the exception of Pyongyang, only about two out of 10 people are working; the other eight just goof off."

Professor Chang argued against Mikheyev's remarks by saying that "The major driving force for maintaining the North Korean system is the high rate of mobilized participation." Professor Yi Chong-sik pointed out that the North Korean system is based on mobilized participation and it appears that such a system is carried out accordingly. Because of its long endurance and frequency, however, the party policy is not effectively followed by the people anymore.

Ecuadoran UN Security Council Member Arrives

SK2606075791 Seoul YONHAP in English 0708 GMT 26 Jun 91

[Text] Seoul, June 26 (YONHAP)—Treatment of South and North Korea's U.N. membership applications singly or separately will depend on the Security Council and the applicants, Ecuadorian Ambassador to the United Nations Jose Ayala Lasso said here Wednesday.

"I cannot anticipate any point of view on this matter," Ayala Lasso said. "It will depend on the result of the bilateral consultation."

Ecuador is president of the Security Council for August and the president has the authority to act immediately after an application is presented, he said.

"I will immediately organize bilateral consultation with all the members of the Council in order to know what their thinking is in this matter," Ayala Lasso told a news conference.

The ambassador, who arrived in Seoul on Tuesday, met with Foreign Minister Yi Sang-ok earlier in the day.

"The question of Korea's application to the United Nations is no longer a political issue," he said. "It is only a procedural matter now."

Two More Ferry Services To Open With China

SK2606080391 Seoul YONHAP in English 0744 GMT 26 Jun 91

[Text] Inchon, South Korea, June 26 (OANA-YONHAP)—Two regular ferry services will be opened between South Korea and China, one this August and one next year, bringing the total to three, the Inchon District Maritime and Port Authority said on Wednesday.

Cosmotsinlien Car Ferry Co., a 50-50 joint venture between Korea's Cosmotiger Corp. and China's Tianjin Marine Shipping Co., is to put a 9,000-ton car ferry on the Inchon-Tianjin route in August for two sailings a week and another on the Inchon-Dalian route next year, the authority said.

In addition, Hyundai Shipping Co. is said to have plans to apply for a license to use a 10,000-ton ferry in a regular service on the Inchon-Dalian route in cooperation with Choyang Shipping Co. to carry tourists and support construction of a factory in Dalian by the Hyundai Group.

Weidong Car Ferry Corp., a joint venture between two Chinese firms and six Korean firms, is considering a ferry service between Inchon and Qingdao in addition to the Inchon-Weihai service opened in September.

When the two new routes are opened, the total between the two nations, which lack diplomatic ties, will increase to three.

"When the two nations normalize ties, more than one firm will be allowed to simultaneously take part in the routes," an Inchon Port Authority official said.

The services will galvanize tourist travel, contributing to advancing the normalization of diplomatic ties, and the 1.6 million Koreans living in Manchuria will have easier access to their motherland, the official said.

Broadcasting Agreement Reached With USSR

SK2706080791 Seoul THE KOREA TIMES in English 27 Jun 91 p 7

[Text] A bilateral agreement on co-operation in broadcasting has been concluded between KBS (Korea Broadcasting System) and Gosteleradio [as published], the state-run broadcasting network of the USSR.

The pact was signed by KBS president So Ki-won [and] Gosteleradio's Leonid P.Kravechenko in Moscow Tuesday.

According to the agreement, the two compaines now have priority in using each other's press releases and other research data.

* Northeast Asian Economic Zone Discussed

912C0219A Seoul HANGUK KYONGJE SINMUN in Korean 21 Apr 91 p 5

[Editorial: "Cheju Summit and Formation of Northeast Asian Economic Zone"]

[Text] Following the "tug-of-war" meeting between the heads of the Soviet Union and Japan, the Cheju summit meeting between the Soviet Union and Korea ended in a friendly atmosphere.

Many pending issues were discussed during Gorbachev's visit to Japan and Korea, including the issues of northern territory and economic cooperation between the Soviet Union and Japan and the issues of South Korean application for UN membership and North Korean nuclear facility inspection. From these discussions, two major directions can be summarized.

One is to encourage North Korea to join the open policy, and the other is the political significance of large-scale joint projects announced in the Cheju summit meeting, such as the development of Sahkalin oil well by the joint efforts of Korea, the United States, and the Soviet Union. As to the opening of North Korea, it appears that Gorbachev concluded that the key factor to the success of his idea of a new order in Northeast Asia is the reorganization of North Korea's rigid system. The following examples support the conjecture: the announcement made right before visiting Japan that the USSR will provide nuclear raw materials to North Korea only if the North agrees to international inspections of its nuclear facility; urging the normalization of diplomatic relationship between the North and Japan; and an indication that the USSR may support a unilateral application for UN membership by South Korea, in case the North rejects simultaneous applications.

Regardless of how North Korea's Kim Il-song would react, Gorbachev has already been solidifying his idea of "controlling all the Northeast Asian countries by controlling North Korea."

It appears to be clear that Gorbachev's new policy toward the Northeast Asian nations cannot progress under the condition that the relationship between the North and the United States and between the North and Japan still remains the same as during the Cold War era. Japan and the United States define the acceptance of international nuclear inspections by North Korea as a condition for improving their relationships with the North. Since the Persian Gulf War taught us a lesson that

a noncompromising regional power can disrupt international peace, it is clear that the so-called "new order in Northeast Asian nations" is simply unrealistic as long as North Korea remains the same. It is also true that those who are comfortable with conservative orders established in the United States and especially in Japan are unwilling to revise their existing structure on the ground of the existence of North Korea.

It was clearly indicated through Japan's passive attitude during the negotiation with the Soviet Union for returning the four northern islands that Japan is not willing to change the existing order. If Japan had aggressively pursued the return of the four islands right after the U.S.-U.S.S.R. summit meeting in Malta in 1989, Japan would already have gotten the four northern islands back. The argument that Japan could have gotten the islands if it aggressively tried to, by taking the initiative to provide economic aid to the USSR the way West Germany did, rather than maintain a passive attitude that Japan would provide economic aid if the USSR would return the islands, is not a mere hypothesis. Unlike West Germany, which took advantage of the collapse of the Cold War, Japan seems to be rather enjoying a comfortable life within the established system under the pretext of territorial dispute. Japan, having grown as an economic superpower under the umbrella of the U.S.-Japan Security Pact, does not seem to feel a need for a change in its political as well as economic system.

In order to discuss the new order in the Northest Asian nations, Gorbachev, during his visit to Japan, suggested first of all having a meeting among the United States, the Soviet Union, and Japan. This indicates that the USSR considers Japan to be at the same level as the USSR and the United States, although the discussion would be limited to the Northeast Asian nations.

Japanese Prime Minister Kaifu, who met with Bush in Washington before he met with Gorbachev, plans to have a follow-on summit meeting with Gorbachev in Moscow in June.

The Japanese plan is to lead the post-Cold War world order with its political power derived from its enhanced international position as an economic superpower. It appears, however, that some change in the Japanese national position is inevitable, as long as the United States and the USSR choose to put an end to the Cold War.

Another reason for the Soviet Union's demand for rapid progress in the relationship between South and North Korea is that the USSR wants to demonstrate its determination to accelerate the change in Japan by stimulating Japan with opening up North Korea.

Under such political circumstances, Gorbachev's announcement at the Cheju summit concerning large-scale joint projects has significance. It is more so in light of the fact that the announcement not only stimulates Japan and North Korea, which have been passive to change, but indicates a direction in the power rearrangement in Northeast Asia. The relationships among nations are not different from those of human beings. If the USSR and the United States, currently undergoing economic difficulty, play a game against rich Japan, the USSR and the United States will naturally become closer.

In fact, the justification for the U.S.-Japan Security Pact is weakening, as the arms reduction plan between the Soviet Union and the United States is realized and Gorbachev announced that he will substantially reduce military power in Northeast Asia.

Furthermore, Gorbachev's initiative on opening North Korea further weakens the basis for the Security Pact, which was developed under the assumption of the North Korean threat. On the other hand, the friction between the United States and Japan on economic matters is expected to worsen to the extent that a fundamental correction to the U.S.-Japan relationship might be necessary, as the U.S. budget deficit in FY91 is increasing and an election is coming up in 1992.

Such an economic friction between the United States and Japan will create a new balance of power among the United States, Japan, and the Soviet Union, that will replace the existing system in Northeast Asia, including the security relationship between the United States and Japan.

Gorbachev proposed again at the Cheju summit the idea of an economic zone in Northeast Asia. Since the idea is so drastic to many who have been used to the traditional international relationship of "friend and foe," and to the background of the European Community (EC), some say the idea of a Northeast Asian economic zone is premature. On the other hand, just as the EC economic zone is possible, a new economic zone has already started to emerge as a result of large-scale joint projects such as the Korean-U.S.-USSR development of the Sakhalin oil well, which will be the focus of development in the area of Siberia and Manchuria.

Hungarian Sporting Goods Venture Reported

SK2706045591 Seoul THE KOREA ECONOMIC JOURNAL in English 24 Jun 91 p 24

[Text] Unico Int'l Co., a medium-sized importer of foodstuffs, recently established a locally incorporated trading firm, named Unico intercontinental, in Hungary, company sources announced.

The total investment in setting up Unico Intercontinental was $150,000.

Since 1988, Unico Int'l has been trading foods with Hungary.

Unico Intercontinental will initially deal with sports equipment. It plans to import $10 million worth of Korean sports equipment every year and sell them at the

"Euro Sports Plaza," a sales shop which the company will open in early July at the Hungarian trade center building in Budapest.

Unico Int'l plans to diversify the business lines of Unico Intercontinental to electronics, sundry goods and machinery, and at the same time, is pursuing a plan to set up a joint venture with a Hungarian tire maker.

Unico Int'l is also eager to advance into the Soviet Union using Unico Intercontinental as a base.

'Snowballing Trade Deficit' With Japan Viewed

SK2606112591 Seoul YONHAP in English 1002 GMT 26 Jun 91

[Text] Seoul, June 26 (YONHAP)—South Korea's snowballing trade deficit with Japan is expected to hit an all-time high record of 6.3 billion U.S. dollars at the end of this year, the Trade and Industry Ministry Forecast Wednesday.

The ministry said the deficit hit 3 billion dollars in the end of April due largely to slow sales of textile products and surging import of machinery and parts, and materials.

Last year, South Korea suffered a deficit of 5.9 billion dollars in its trade with Japan.

Officials from the Economic Planning Board, the Trade-Industry and Agriculture-Forestry-Fisheries Ministries discussed how to correct the worsening trend in a meeting Wednesday afternoon and decided to dispatch three export promoting missions to Japan during the second half of this year.

The ministry said the government subsidy for local firms purchasing Korean-made machinery and parts would be increased from 3.8 trillion won this year to 5 trillion won (6.8 billion U.S. dollars) next year.

Negotiations with Japan will be focused on eliminating Japan's import restrictions and cutting tariffs on textile and footwear exports from Korea, the ministry said.

First Annual Economic Forum With EC Convenes

SK2606074391 Seoul YONHAP in English 0723 GMT 26 Jun 91

[Text] Seoul, June 26 (YONHAP)—The first annual South Korea-EC economic forum convened in Brussels on Tuesday afternoon to discuss private trade issues, the Trade and Industry Ministry said Wednesday.

In the forum, sponsored by the Federation of Korean Industries and the Union of Industrial and Employers' Confederation of Europe, the two sides exchanged views on Korea-EC economic ties, EC integration and Seoul's market liberalization.

Korea's delegation was headed by Trade and Industry Minister Yi Pong-so and Samsung Electronics President Kang Chin-ku.

Police Enter University To Arrest Student Leader

SK2706034391 Seoul KOREA DAILY in English 26 Jun 91 p 2

[Text] About 600 riot police stormed Seoul's Yonsei University yesterday to arrest a fugitive student leader charged with instigating anti-government protests, witnesses said.

It was the second day that police publicly launched a dragnet for fugitives thought to be leaders of violent antigovernment protests staged over seven weeks.

About 100 students hurling rocks and firebombs fought police firing tear gas at the school's main gate, witnesses said. Police said five students were arrested. No injuries were reported.

Police said they did not apprehend Kim Chong-sik, the student leader they were seeking. Kim is chairman of the largest student group Chondaehyop, or the National Council of Student Representatives.

Witnesses said police raced onto the campus at about 10 a.m., apparently acting on a tip that Kim would hold a news conference to talk about students doing summer work in poor rural areas.

Regular classes at Yonsei finished last week for summer vacation, but about 400 students started summer school classes on Monday. Teachers said some classes were in session at the time of the raid.

'Pro-Pyongyang' Soldiers, Citizens Arrested

SK2706095591 Seoul YONHAP in English 0935 GMT 27 Jun 91

[Text] Seoul, June 27 (OANA-YONHAP)—The Defense Security Command [DSC] Thursday arrested 10 members of a Pro-Pyongyang organization on suspicion of violating the National Security Law and put 15 others on a wanted list on the same charge.

The 10 members, five civilians and five soldiers, were charged with forming an "enemy-benefitting" organization, praising North Korea's ideology and publishing and carrying materials banned under the National Security Law.

The controversial law serves as the ground for punishing communist sympathizers, particularly those who are judged to help North Korea and endanger national security.

Another 15 people, including organizer Yi Hu-sam, 22, were placed on the wanted list for involvement in the organization, called "Chaju-taeo (Independence Array)," a DSC spokesman said.

The DSC transferred Chong Sun-pae, 25, to the prosecution without physical detention and released six minor offenders, including four soldiers, with admonitions.

Chaju-taeo was set up by over 20 students in September 1988 at Chongju University, North Chungchong Province, and Pvt. 2nd class Song Chae-pong, 24, a senior in political science and diplomacy, played a critical role in forming it, the spokesman said.

When they joined the Army, members did such things as praising North Korean leader Kim Il-song's "Chuche" (Self-Reliance) Ideology, spreading anti-American sentiment and teaching dissident songs to other soldiers, he said.

They listened to North Korean radio broadcasts to study the chuche ideology, distributed Pro-Pyongyang leaflets and led or masterminded over 50 rallies in North Chungchong Province.

The organization was uncovered during an investigation into eight privates who refused to obey the orders of their platoon leader, the DSC spokesman said.

It was the second such announcement for the DSC this month. The DSC announced on June 5 the arrest of 18 students and graduates of Seoul National University for forming a Pro-Pyongyang underground organization.

Voters Against 'Two Kims' Running for President

SK2706023991 Seoul THE KOREA TIMES in English 27 Jun 91 p 2

[Text] A telephone poll has showed that 66.2 percent of the respondents are against Kim Yong-sam and Kim Tae-chung running in the next presidential election.

As many as 44.7 percent of those surveyed answered that if the "two Kims" run against each other, they will either not vote or vote for other candidates.

Research and Research, a private survey firm, conducted the survey of 606 voters nationwide on June 22 and 23, after the large-district local council elections on June 20.

Asked who they would vote for in case the two Kims run in the next presidential election, 121 or 20 percent answered Kim Yong-sam, while 93 or 15.3 percent said Kim Tae-chung.

However, 174 or 28.7 percent responded that they will vote for someone other than the two Kims and 97 or 16 percent replied that they will not vote at all.

As to the integration of opposition forces, 414 or 68.2 percent believe it is necessary. But 327 or 54 percent held a negative view of the probability of an opposition merger.

Asked which political leader benefited most from the local election results, 73.2 percent of the respondents picked President No Tae-u and 68.2 percent Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party.

To the contrary, 81.7 percent answered that opposition leader Kim Tae-chung was in a difficult situation.

Lawmakers Challenge Kim Tae-chung's Leadership

SK2706033891 Seoul THE KOREA TIMES in English 27 Jun 91 p 2

[Text] Kim Tae-chung's staunch stand to remain president of the New Democratic Party [NDP] has blunted moves by young National Assemblymen to unify the opposition camp.

But a dozen young lawmakers, most of whom are from Seoul and not totally under Kim's sway, are wasting no time in turning up the pressure for Kim's retirement from the NDP leadership in an initial bid to merge all opposition forces.

They have been sounding out others for their opinions on the delicate and highly political issue of Kim's fate in their informal talks that started with the opposition's humiliating defeat in last Thursday's local council elections.

The behind-the-scenes activities will come to center stage soon as about 10 of them will meet today to tune up their positions. Their stance will be presented to Democratic Party [DP] lawmakers to chart out joint strategies to drive Kim Tae-chung and DP president Yi Ki-taek out of the drivers' seat and merge the two parties.

Rep. Chong Tae-chol, who initiated petition campaigns to force the two party leaders to combine their groups in April last year as a way of competing with the giant ruling party, says that the signatories would keep pushing for the two leaders to step down to pave the way for a "grand opposition merger."

"Our demand for Kim to step down from the party leadership is aimed at making it easier to attract all of President No Tae-u's opponents to one unified opposition camp and beef up our strength enough to compete with the Democratic Liberal Party," he told The Korea Times yesterday.

"There are some No oppositionists, who also look down upon the NDP president. There are people who have lost interest in Kim who has run for the presidency since 1971. If he becomes the 'invisible man' in politics he will truly see how the people miss him," he said.

"I put forward the demand because I believe he can return to politics anytime he wants and run for Chongwadae again on the basis of a fresh statesman's style and symbolism," he went on.

He said he is convinced that Kim will soon see the light in the foreseeable future and set the stage for an opposition merger as he realizes the "consensus of the people that his retirement is the surest way to reviving opposition forces."

"We will persuade him to do away with the tight control of the party. If he does not, we will put pressure on him to do so by taking joint actions. His action will largely determine our political futures as well as his own," Chong argued.

"The humiliating defeat in last week's elections is a valuable warning to the whole opposition camp. The coming parliamentary elections will also heavily depend on the unification of opposition forces," he observed.

He, however, ruled out the possibility that signers of his petition would defect from the established political machines as a desperate way of urging Kim Tae-chung to quit the party presidency.

Three lawmakers broke ties with the NDP shortly before the elections in protest against the party's nomination of people unacceptable to them in their districts and one senior lawmaker is moving to defect from the party in a revolt over Kim's leadership.

Kim loyalists from his strongholds of Kwangju and Chollanam-to supported his charismatic leadership in a standing vote Monday, overpowering Rep. Chong's brave but "lonesome" struggle on the grounds that there is no alternative leader and responsibility for the election defeat should be shared.

"Government propagandists used to say that no one could replace presidents Syngman Rhee or Pak Chong-hui during their eras. But there have been a number of competent figures capable of governing the country on their behalf. We don't have to go on believing one's authority is absolute anymore. As the old generation fades, new leaders come."

Chong, 47, elected three times so far, cautiously pointed to himself as a potential new leader, along with several other colleagues.

He admitted that he owes a great deal of his present political career to his parents' benevolence. His father had been an opposition leader and once a political patron for Kim Tae-chung and his mother, the nation's first female lawyer, is active in dissident and women circles.

Yet he said he has come to know the "soul and spirit of politics" and stood on his own feet after he won the April 1988 elections following a defeat and a several year political activity ban by the Chon Tu-hwan administration.

Government Plans To Seek Increase in Budget

SK2706091491 Seoul YONHAP in English 0836 GMT 27 Jun 91

[Text] Seoul, June 27 (YONHAP)—The government will seek an additional budget of 4.1 trillion won for fiscal 1991 when the National Assembly convenes for an extra session next month, officials at the Economic Planning Board said Thursday.

A supplementary budget bill containing 100 billion won in economic support for the Soviet Union was approved by the cabinet Thursday.

The largest portion of the money, 1.03 trillion won, will be spent on social infrastructure, the officials said.

Easing traffic congestion in the capital and on Seoul-Pusan routes will cost 380 billion won, and another 300 billion won will be used to build eight highways, including one from Inchon to Ansan. Subway construction in Seoul, Pusan and Taegu will need 50 billion won.

Over 80 billion won will be spent on expanding the Pusan and Inchon ports and developing the Asan port, and 8.7 billion won will be used to improve conditions at the Kimhae and Kwangju Airports and to build the Kunsan airport.

In answer to rising public demands for environmental protection, the government will set aside 68.5 billion won to build sewage treatment plants, and 14.3 billion won to treat liquid waste from the Taegu and Panwol industrial complexes.

* Private Industrial R&D Centers Increase

912C0213A Seoul MAEIL KYONGJE SINMUN in Korean 20 Apr 91 p 12

[Article by MAEIL KYONGJE SINMUN's Science & Technology Department staff: "Private Industrial R&D Has Blossomed"]

[Text] The number of R&D (Research and Development) Centers operated by private industries has reached over 1,000 of late. Moreover, the industries' investments in their R&D efforts have increased greatly, surpassing 2 percent of their total sales figures, and the number of people engaged in R&D works in private industries has reached over 30,000 in recent years. Some industries' R&D facilities are bigger than and superior to the government-run ones. And the number of private industries which have their overseas R&D branches is also on the rise. Joint research among industry, academia, and research institutes is also becoming popular. Even on the purely industrial level, international cooperation in research has been increasing.

The nation's first R&D center associated with a private industry was probably established in 1971. Some people maintain it was Samyang Food Corporation which started the first R&D center, while others contend it was Tongyang Nylon Corporation.

In any case, the nation's private industrial R&D centers have come to life since then, and by 1980, 10 years later, there were 54 industrial R&D centers in the country. To classify these R&D centers by industry, they were primarily associated with pharmaceutical industries, textile industries, food industries, and electrical/electronics industries.

Private industries' R&D centers began to catch on in earnest from the early 1980's. Since 1981, the government has given a tax benefit to the industries engaged in research and manpower development. Moreover, R&D workers have been exempted from military service since then. Since 1982, the government has reduced tariffs on the goods imported for R&D.

As a result, private industries have begun to establish R&D centers one after another, and they have become the mainstay of industrial research and development ever since. Accordingly, the number of industrial R&D centers, which was merely 54 in 1980, increased to 123 in 1983, 290 in 1986, 674 in 1988, 824 in 1989, and 966 by the end of last year.

The same trend appears to continue this year, bringing in the era of over 1,000 industrial R&D centers to the nation.

The R&D fever is spreading even to the middle and small size industries. Some industrial giants are now being transformed to the owners of multiple R&D centers.

Along with the increase in the number of R&D establishments, the industries' investments in their technological development is also on the rise.

According to the study conducted by the Korea Industrial Research Institute, the total investment for technological development by the nation's industries was 1.95 trillion won in 1989, amounting to 1.98 percent of the total sales figure.

The ratio of technological investment to the total sales figure was thus increased by 0.11 percent in 1989 compared to 1.87 percent in 1988. The investment grew to over 2 percent last year.

To classify the R&D investments by industry, in 1989, precision machinery was the leader, spending 5.46 percent of the total sales amount for R&D, followed by electrical/electronics industry, 4.92 percent; information service, 3.55 percent; construction industry, 2.51 percent; transportation machinery, 2.36 percent; and general machinery, 2.12 percent.

The total amount invested in R&D by the nation's industries, at 1.98 percent, is still far less than Japan's 2.6 percent (1988).

Lately, however, there are more than three private industrial R&D centers, each of which spends over 100 billion won a year, indicating a bright and dynamic future for the nation's R&D.

The number of people working in private industrial R&D is also increasing every year, and these people form an active force in the nation's technological development.

According to the Korea Industrial Research Institute, about 50 percent of the more than 60,000 R&D workers in the nation work for private industries, making up an over 30,000-man work force. Moreover, there is a trend that many industrial R&D centers are recruiting PhD's in science and technology.

Such efforts by the industrial R&D seem to be paying off now. The era to reap the benefits of private industrial R&D works appears to have finally arrived.

The outcome of the applications for IR52 Chang Yong-sil Award, cosponsored and awarded weekly by the Korea Industrial Research Institute and this newspaper, can attest to this fact. The number of new products applying for this award reached over 130 in April.

The new products which have received the highest award are the proof of the industries' creativity and developmental energy.

The following are some of the recipients of the awards: the engine developed by Hyundai Automobile Industry; Samsung Electronic's digital signal IC for CD players; Kolon's PE elastomer; industrial diamond developed by Ilju and KIST (Korea Institute of Science and Technology); the electronic organ developed by Goldstar Industry; the raw material for making antibiotics developed by Cheil Sugar Industry; Sankyung Industry's PE hot-melt adhesives; Hannam Chemical Company's HGX resin; Daewoo Heavy Industry's horizontal machining center; Goldstar Industry's process control system; Tongyang Nylon's artificial marble; and Union System's fingerprint identifyer.

These products merchandized by the nation's industries compare very well with those from more advanced countries and, in some ways, they are even superior to the foreign-made goods.

Burma

Representative Resigns in Dispute With NLD

BK2606143991 Rangoon Radio Burma in Burmese 1330 GMT 26 Jun 91

[Announcement No. 945 of the Elections Commission of the Union of Myanmar, dated 26 June 1991]

[Text] Subject: U Thaung Tin, elected representative from Pyapon Township Constituency-1, Irrawaddy Division, given permission to resign.

1. U Thaung Tin, who was elected from Pyapon Township Constituency-1, Irrawaddy Division, during the multiparty democratic general elections, has informed the commission that he was elected to represent the National League for Democracy [NLD]. The NLD Central Executive Committee and the Irrawaddy Division NLD Organizing Committee which he represented, however, had unilaterally abolished the Pyapon Township NLD Organizing Committee without observing or showing any regard for rules, regulations, and policies.

2. Hence, he no longer has confidence or any respect for the NLD Central Executive Committee and the divisional organizing committee which had failed to follow democratic practises. This being the case, he has requested permission to resign as elected representative.

3. Acting on the request by U Thaung Tin, and in accordance with Article 11.E of the Elections Law, the Elections Commission hereby permits the resignation of U Thaung Tin as elected representative from Pyapon Township Constituency-1, Irrawaddy Division, effective today.

By the authority vested in me

Signed: Aye Maung, secretary.

Meetings Held To Discuss High Commodity Prices

BK2706083791 Rangoon Radio Burma in Burmese 1330 GMT 26 Jun 91

[Excerpts] Major General Tun Kyi, chairman of Mandalay Division Law and Order Restoration Council and commander of the Central Military Command, held a meeting on measures to bring down the prices of meat, fish, and commodities with responsible officials at the Office of the Law and Order Restoration Council at 1300 on 20 June. [passage omitted]

Addressing the meeting, Maj. Gen. Tun Kyi said the meeting was being convened to coordinate measures to bring down the prices of meat and fish. He called for suggestions on how it should be approached to achieve that goal.

Next, mutton, beef, and pork licensees explained the situation concerning the availability of their merchandise, and transportation and distribution costs.

Commander Maj. Gen. Tun Kyi called on those present to sell commodities at prices lower than the present ones and promised to provide necessary assistance. Regarding transportation, Maj. Gen. Tun Kyi said, if necessary, assistance will be given after coordination with the authorities concerned. The main aim is to provide relief to the consumers and to bring down commodity prices. He urged those present not to do things that would hamper the process to bring down prices. [passage omitted]

Meanwhile, the Shan State committee for regulating prices and the flow of goods held a meeting in the Operations Room of the Eastern Military Command in Taunggyi on 28 June. [passage omitted]

Addressing the meeting, Colonel Soe Tint, deputy commander of the Eastern Military Command, said the State Law and Order Restoration Council [SLORC] has changed the economic system and is practicing the market economy. In doing so, the SLORC has laid down three economic principles. Despite working according to the principles laid down, prices of basic commodities have risen and efforts had to be made to reduce transportation costs.

Hence, those attending this meeting on behalf of different departments and organizations and the traders are urged to speak frankly and to make suggestions.

Next, Lieutenant Colonel Myat Aye, secretary of the Shan State Law and Order Restoration Council; Lt. Col. Than Htut, chairman of the Taunggyi Township Law and Order Restoration Council; and Major Saw Tun Hla Aung Htoo, member of the Taunggyi Township Law and Order Restoration Council, explained the policies and guidelines of the SLORC and the work accomplished so far.

The traders then discussed measures to bring down the prices of each commodity. The meeting ended at 1030.

Kachin State Vendors Asked To Cut Prices

BK2606073191 Rangoon Radio Burma in Burmese 0630 GMT 26 Jun 91

[Excerpt] The Kachin State committee in charge of regulating the flow of goods and bringing down prices held a coordinating meeting with market vendors operating within the city limits of Myitkyina. The meeting, held in the conference room of the Office of the Kachin State General Administration Department at 1400 on 17 June, discussed measures to make food available at economical prices to consumers.

Addressing the meeting, Brigadier General Maung Thet, chairman of that Kachin State committee, said people are facing hardships in acquiring food because of the high commodity prices. Since this is the case, traders are requested to state their cordial and frank views on the

extent of price reductions they can make on their goods so that the problems being encountered will be alleviated.

He said that while selling commodities at reduced and coordinated prices, it will be essential to make efforts to boost production in order to meet demand. To do this, agricultural cultivation and livestock breeding programs must be extended in every township.

Vendors in Myitkyina then explained in detail the current prices of goods and their availability.

Prices were then coordinated and fixed to make food available at economical prices for consumers. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

Trade, Ties With PRC Show Signs of Expansion

BK2706102491 Kuala Lumpur Voice of Malaysia in English 0800 GMT 27 Jun 91

[Station commentary]

[Text] The healthy trend in trade between Malaysia and China shows encouraging signs of expanding even further this year. China, like Malaysia, is currently enjoying a rapid economic growth with its liberalization and open door policy, and its modernization program. China, which has a population of 1.2 billion, offers an attractive market and Malaysian traders and investors are showing an increasing interest in seizing the vast opportunities offered.

Currently, Malaysia's export to China are mainly palm oil, natural rubber, and high quality petroleum, while China sells to Malaysia its traditional commodities such as light industry, and textile products, food, and livestock products.

In recent months it has also begun to export coal, machinery, and electronic products to this country. Bilateral trade between the two countries in the first quarter of this year, reached U.S.$277 million, which was 42 percent higher than that of the same period last year. The trade balance is currently in Malaysia's favor with import value at U.S.$100.7 million and export to China at U.S.$117 million.

Relations between Malaysia and China have grown over the past few years especially after the signing of a trade accord in April 1988 whereby the two countries enjoy most favored nation status with each other. That was followed by another accord and investment protection signed in November of the same year. The outcome was that China became Malaysia's 10th biggest trading partner in the world last year while Malaysia is China's third biggest trading partner within ASEAN.

Ties between the two peoples were even further boosted when Malaysia relaxed its restrictions on Malaysians traveling to China from last year. Forty-one thousand Malaysians visited China in 1990, which was a four-fold increase over the number in 1989. At the same time, the number of Chinese visiting this country rose by 600 percent from the 1,700 who came in 1985.

There are many areas in which the two countries can stand to gain from each other. China now has a massive house construction program on its drawing board for which it cannot do without professional expertise from Malaysia. At the same time, China has a long history in building bridges, and recently the two countries agreed to enhance cooperation in public works and the water supply. Malaysia's small- and medium-scale industries, or SMI, can benefit from tapping China's technology, though it has not reached the level of sophistication of developed countries. China's technology is considered practical, cheap and is easier to transfer.

Malaysia hopes that China will give its full support to the East Asia Economic Grouping, or EAEG, proposal, which was mooted by Malaysia last December and for which the country's leaders have been seeking the green light from East Asian nations. China can play an important role in the grouping, considering that it is now moving towards free trade. Participating in a body like the EAEG can also assist China in joining the General Agreement on Tariffs and Trade, GATT.

Meanwhile, relations between Malaysia and China in trade and other fields will, without doubt, continue to grow.

Thai Provincial Court Frees Forestry Officials

BK2706100691 Kuala Lumpur Voice of Malaysia in English 0800 GMT 27 Jun 91

[Text] The Thai provincial magistrate court in Narathiwat today freed all eight Kelantan Forestry staff who had been under investigation for entering Thailand illegally and felling timber.

A statement by the court said the men, who had been detained on May 29th and then released on bail, were freed because Thai police did not have sufficient evidence to charge them with the alleged offences. The bail of 820,000 baht imposed on each of them was to be returned to the bailors.

New Envoys to Brunei, Austria Appointed

BK2706014891 Kuala Lumpur NEW STRAITS TIMES in English 22 Jun 91 p 2

[Excerpt] Kuala Lumpur, Fri.—The yang di-pertuan agong [paramount ruler], Sultan Azlan Shah, today presented former welfare services minister Datuk Mustapha Mohamed with the letter of appointment as Malaysia's new high commissioner to Brunei Darussalam.

The yang di-pertuan agong also presented a similar letter to Malaysia's new ambassador to Austria, Datuk Tan Koon San. [passage omitted]

UMNO Youth Leader Criticizes Development Plan

BK2606135191 Singapore THE STRAITS TIMES in English 22 Jun 91 p 24

[By Ping Lin]

[Text] Kuala Lumpur—UMNO [United Malays National Organization] Youth wants the wealth of the nation to be distributed according to the population ratio in order to build a truly just society in Malaysia.

The movement said in a statement yesterday that this would be the only way to ensure that a "truly just and equal society" could come about in the country.

Umno Youth leader Datuk Sri Najib Tun Razak said that the extended 10-year period under the Second Outline Perspective Plan for the Malays to achieve the 30 per cent target of corporate equity actually amounted to the race making more sacrifices.

In order to reach the targets early, the New Development Policy (NDP) should strengthen the objectives contained in the New Economic Policy and make population ratio its principle thrust, he added.

Datuk Sri Najib also said that every privatised corporation should be controlled by Malays, who should have the majority equity.

According to figures published in the Britannica 1990 Book of the Year, Malays and other indigenous groups make up 60.9 per cent of the population, while the Chinese form 30.4 per cent and Indians 8.2 per cent.

Cambodia

Chea Sim Opens Seminar on Party Founding Day

BK2606064591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 26 Jun 91

[Text] The party History Research Commission and Central Propaganda and Education Commission organized a seminar at the Central Political School on the morning of 25 June to mark the 40th founding anniversary of the Kampuchean People's Revolutionary Party [KPRP]. This seminar proceeded under the chairmanship of Comrade Chea Sim, member of the KPRP Central Committee Political Bureau, chairman of the National Assembly and of the Kampuchean United Front for National Construction and Defense [KUFNCD] National Council. Attending the seminar were many leading comrades from the party, state, mass institutions, central ministries, and departments.

The comrade representatives of the Vietnamese and Lao Embassies were also present.

In his opening speech, Comrade Chea Sim said we mark the 40th founding anniversary of the KPRP at a time when our Cambodian forces are taking responsibility for the tasks to defend the motherland and national achievements.

The comrade emphasized the history and activities of the KPRP in organizing the people's patriotic movement for salvaging the nation and people from the yoke of colonialism and imperialism. The comrade said that during the past more than 12 years, thanks to the correct leadership of the KPRP which has correct political lines and lively leadership strategies, we have successfully mobilized the great national union of the entire nation to firmly defend the motherland, effectively coping with the all-around situation, thus enabling the people to lead a better, more stable lives in which they enjoy their rights and freedoms and can uphold their religious beliefs as they wish.

The seminar participants also held discussions with firm confidence in the correct leadership of the KPRP. They also pledged to further implement the party lines and state laws, and vigorously take part in the national defense and construction tasks, particularly in preventing the attempt to bring back the genocidal Pol Pot regime.

SPK Reports Counterattacks by Forces 17-23 Jun

BK2706121991 Phnom Penh SPK in English 1112 GMT 27 Jun 91

[Text] Phnom Penh SPK June 27—Forty-one Khmer coalition troops were put out of action during counterattacks by the government forces between June 17 and 23.

On June 17, the government forces killed two enemy troops and wounded four others during a counterattack in an area 3-4 km southwest of Chhuk District, the coastal province of Kampot.

The armed forces of Samraong District, Siem Reap, wiped out three enemy soldiers and wounded three others during a three-day counterattack against an enemy raid.

On June 20, one enemy soldier was also wiped out in a counterattack by the armed forces of Banteay Srei District, Siem Reap. On June 22, the government troops killed eight enemy agents and wounded eight others during an hour-long counterattack 14 km east of Angkor Chum District, same province. The following day, two Polpotists were killed and two rifles seized in a counterattack 5 km northeast of Ta Siem Village, Svay Leu District.

On June 21, 13 troops of Sihanouk Brigade 1 were put out of action by the government forces during a two-hour counterattack in Samraong District, Siem Reap.

On June 23, a counterattack was made on enemy raiders in a place 28 km northeast of Santuk District, Kompong Thom, during which one enemy soldier was killed and three others were injured.

During these days, the Khmer Rouge-dominated coalition troops also attacked and carried out sabotage and looting in the provinces of Kompong Thom, Kompong Speu, Banteay Meanchey and Siem Reap-Oddar Meanchey.

Sim Ka Unveils Mahatma Gandhi Statue

BK2706090991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 26 Jun 91

[Text] On the morning of 26 June at the Cambodian-Indian friendship park near the Cambodian state bank, a ceremony was organized to unveil a statue of Mahatma Gandhi, India's son and outstanding hero. This statue is made of gray (?copper), over a meter high, placed on a pedestal nearly two meters square, facing west. It was built at a cost of over 550,000 riels.

This is the first time our Cambodian Government has set up a statue of Mahatma Gandhi, an outstanding hero who led India to becoming an independent, free, and nonaligned country, ridding India of British colonialism over 40 years ago. The erection of the Mahatma Gandhi statue in this park is evidence of the respect for Mahatma Gandhi's soul and outstanding achievements, and also for the historic relations of friendship between Cambodia and India.

At this ceremony, Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of Phnom Penh City party committee, and Ringzing Wangdi, charge d'affaires of the Indian embassy to the State of Cambodia, cut the symbolic ribbon.

Phnom Penh Company To Import, Sell Fertilizer

BK2606064191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 25 Jun 91

[Text] Phnom Penh City's foodstuff company is currently contacting private [words indistinct] to buy 5,000 tonnes of 16/20/0 fertilizers which are due to arrive at the end of June.

The foodstuff company plans to exchange the imported chemical fertilizers with various provinces that had sold it paddy and rice in the past. This is the first time that the city's foodstuff company has imported chemical fertilizers.

Comrade (Khuon Vandy), head of the city's foodstuff company said that in selling the fertilizers, the company based its plan on two principles. First, the company will sell to provinces with which it has had good relations. Priority will be given to (?provinces) that have dealt in good faith on paddy and rice sales to the company, by selling the fertilizers to the provinces at a reasonable price while also ensuring a profit. The provinces with good relations are Takeo, Prey Veng, Svay Rieng, and Banteay Meanchey, which have signed agreements requiring 3,000 tonnes of fertilizers.

Second, the company will sell to customers. However, the selling prices will be lower than those on the free market to ensure that the fertilizers reach our peasants on time for their production work.

Construction on Hydroelectric Plant Progressing

BK2706053591 Phnom Penh SPK in English 0418 GMT 27 Jun 91

[Text] Phnom Penh SPK June 27—Cambodia is cooperating with Vietnam for the first time in building a hydroelectric power plant in the northeastern province of Ratanakiri, 350 km from Phnom Penh.

Under a cooperation document reached between the Construction Commission of the State of Cambodia and the Irrigation Project Construction Enterprise of Vietnam, the Cambodian side has invested $4 million in the construction which was started in early December last year and is expected to be completed by the third quarter of 1992.

The project has achieved 40 percent of its target so far, according to the Construction Commission. Set up in "O Chum" District, the project would be named the "O Chum hydroelectric power plant" which is to be equipped with three turbines with a total capacity of 1,300 kw. The Commission said it had contacted a French company for buying the three turbines.

The construction of the plant is aimed at promoting handicraft and agricultural production in the district and supplying electric power for use in the provincial town, Chi Limchom, head of the commission said.

Ranariddh Calls Phatthaya Meeting Historic

BK2706065191 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 27 Jun 91

[Text] Prince Norodom Ranariddh, member of the Supreme National Council of Cambodia [SNC], secretary general of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, and commander in chief of the National Army of Independent Cambodia, said yesterday in an interview with a Voice of the Khmer correspondent that the SNC meeting in Phatthaya which had proceeded under the very high chairmanship of Samdech Norodom Sihanouk was a historic and great success that would bring peace, independence, and freedom for a Cambodia that has been torn to pieces by war over the past 12 years. He went on to say that peace, freedom, and independence for Cambodia would come about in the very near future.

Prince Norodom Ranariddh said: The historic outcome of the SNC meeting stems from the resolute and persistent 12-year struggle and sacrifices of all the patriotic soldiers in the ranks of the three resistance factions and from the tremendous support of the Cambodian people and peace-loving countries, especially the Kingdom of Thailand.

All SNC members have agreed to choose Phnom Penh as the permanent site of the SNC. The prince also said that the decision to pick Phnom Penh as the permanent headquarters of the SNC does not mean that Phnom Penh belongs to any particular regime, for Phnom Penh is the property of Cambodia and of the entire Cambodian people and the SNC symbolizes Cambodia's sovereignty.

Concerning some other questions that have not yet been resolved and that would be raised for further discussions at the next SNC meeting, Prince Norodom Ranariddh said: The question that calls for further discussion is the monitoring of the cease-fire and the halt in foreign military aid. However, all SNC members have already agreed to the dispatch of UN forces for this monitoring task, but there remain some temporary disagreements as to the capacity and the size of the UN army or UN force that would be invited to Cambodia.

He went on to say that since there is yet to be any final solution to the overall Cambodian problem—a task that would be carried out in Paris—the United Nations is still not empowered to dispatch supervisors on a large scale to Cambodia. Nevertheless, the prince was of the opinion that should all Cambodian factions understand the national problems and abide by the 24 June Phatthaya decision on the cease-fire, peace and security would surely be restored in Cambodia.

VODK Commentary: SRV Threatens 'Annexation'

BK2706023691 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 26 Jun 91

[Station commentary: "Our Cambodian people in and outside the country are more vigorously assisting and supporting the great national union policy of not discriminating against white, black, blue, or red"]

[Text] The great national union policy of not discriminating against white, black, blue, or red—that there are only Cambodians uniting in the struggle to liberate the country from the Vietnamese aggressors—is currently receiving greater assistance and support from the Cambodian people in every circle and political vein in and outside the country. Everyone realizes that the danger for the Cambodian nation and race, at present, and in the future, is Vietnam's annexation of Cambodian territory, for example, Kampuchea Kraom.

The fact is that, at present, Vietnam not only has 50,000 troops fighting in Cambodia and over 50,000 various administrative staff who control and oversee the puppet regime in every field, but it has also brought over a million Vietnamese settlers to Cambodia and more are being systematically brought in. Over a million Vietnamese settlers have been collaborating with Vietnamese troops and administrative staff to occupy Cambodia and implement a Vietnamization policy in every field—cultural, literature, social, traditions and customs, and so on—with the aim of transforming Cambodia into Vietnam, territorially and demographically, the way it had done with Kampuchea Kraom.

In such a situation, Cambodia—a small country with a small population—vitally needs national solidarity and unity in the national liberation against the Vietnamese aggressors to ensure the survival of the Cambodian nation and race. Therefore, the great national union policy of not discriminating against white, black, blue, or red is vital for our nation and people now and in the future, following the country's liberation from the Vietnamese aggressors.

Realizing the vital importance of this great national union policy, our Cambodian people of every political vein and from all strata have vigorously assisted and supported this policy and placed themselves under the sole banner of the Cambodian people's great national union of not discrimnating against white, black, blue, or red. They are all uniting and struggling in every form and through every means to liberate the nation from the Vietnamese aggressors and invaders.

This is new goodwill in the national struggle of our Cambodian nation and people. The Hanoi Vietnamese enemy aggressors, despite their perfidious and stubborn maneuvers, cannot oppose and resist this Cambodian great national union force. They will certainly be compelled to solve their war of aggression in Cambodia politically and comprehensively in accordance with the 28 August 1990 framework document and the 26 November 1990 draft agreement.

Indonesia

Alatas Cites Measures To Settle Island Dispute

BK2706011291 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 27 Jun 91

[Text] Indonesia and Malaysia have agreed to use two channels to amicably settle their dispute over the islands of Sipadan and Ligitan. During a working meeting with House Commission I [in charge of foreign affairs, security, and information] in Jakarta last night, Foreign Minister Ali Alatas said the two channels are talks at the level of foreign ministers and senior officials, and the General Border Committee. According to Minister Alatas, the two sides have agreed to hold negotiations to try to amicably settle the matter on the basis of friendly relations between Indonesia and Malaysia and documents in their possession.

The Sipadan and Ligitan issue emerged for the first time during negotiations in Kuala Lumpur in 1969 on the delineation of the Indonesian-Malaysian continental shelf.

Suharto, Family Return From Saudi Hajj

BK2706091591 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 27 Jun 91

[Excerpt] President Suharto and his wife Tien Suharto returned home this morning after performing a hajj in Saudi Arabia, that started on 16 June. Here is a report on their arrival by correspondent Joko Saksono from Jakarta's Halim Perdanakusuma Airport.

[Begin recording] President Suharto, Mrs. Suharto, members of their family, and other passengers of the 97th hajj flight arrived safely at Perdanakusuma Airport at 0945 West Indonesian Time this morning, following a flight lasting over 12 hours from King 'Abd-al-'Aziz International Airport in Jeddah, Saudi Arabia. After offering thanksgiving prayers, Mr. and Mrs. Suharto joyfully alighted from the plane and were welcomed by their children and grandchildren. [passage omitted]

Opposition Parties Prepare for 1992 Elections

BK2606062191 Hong Kong AFP in English 0519 GMT 26 Jun 91

[Text] Jakarta, June 26 (AFP)—Indonesia's two opposition parties Wednesday urged the government to ensure a clean and fair parliamentary election next year, the country's sixth since independence in 1945.

"We hope the government apparatus and the election committee could make the 1992 election successful," the chairman of the Moslem-based United Development Party (PPP), Ismail Hasan Metareum, said at a ceremony in which the three parties unveiled their respective election symbols to the public.

The Indonesian Democratic Party (PDI), the smallest of the parties allowed to contest the poll, said if existing cooperative relations among the parties and with the government in Jakarta could be fostered in the regions, there was no reason to fear "unwarranted" happenings during the polls.

The last election in 1987 was virtually incident-free but the two parties which contested against the powerful ruling Golkar Party complained of cheating and abuses by the government and Golkar at regional levels.

This will be the fifth parliamentary election since President Suharto came to power in 1967 and precedes a crucial presidential election in 1993 which determines whether or not the 70-year-old head of state will serve another term.

All three parties stuck to the same symbols. Golkar's is the huge banyan tree, PDI uses the bull's head, and PPP, despite a flop in 1987, sticks to the five-pointed star.

PPP in 1987 dropped the Kabaa', the Moslem holy shrine in Mecca, as its symbol despite its popularity after a new ruling requiring parties to use one of the five symbols enshrined in pancasila, the state ideology.

Analysts said symbols are important election tools in Indonesia, since people vote for the parties rather than parliamentary candidates. It is even more important in rural and outlying areas where people barely have heard the names of the parties they are expected to choose.

Voting is done by punching a hole into one of three symbols in the ballot papers. In 1987, Golkar took 73 per cent of the vote, PPP 16 per cent and PDI, an alliance of nationalist and Christian forces, took 11 per cent.

The election will decide the allocation of Parliament's 500 seats, 100 of which are reserved for armed forces appointees.

Home Affairs Minister Rudini, who chairs the National Election Committee, said the parties could now begin to publicise their symbols but they must not indulge in open election campaigns.

The government has yet to set a firm date for the election, which is preceded by a 25-day campaign period, but it is expected to be held next May.

Laos

Kaysone Greets New Indian Prime Minister

BK2606020091 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 26 Jun 91

[Text] On 26 June, His Excellency [H.E.] Kaysone Phomvihan, chairman of the Council of Ministers of the Lao People's Democratic Republic [LPDR], sent a congratulatory message to H.E. Narasimha Rao, prime minister of the Republic of India, in New Delhi.

The message reads: On the occasion of your election to the post of premiership of the Republic of India, on behalf of the LPDR Government, the Lao people, and in my own name, I would like to extend my sincere congratulations and best wishes to Your Excellency for brilliant fulfillment of your noble tasks. I believe that under your leadership, the existing friendship and good cooperation between the governments and peoples of our two countries will be further developed and strengthened in the future for the common interests of our two peoples, thus contributing to the cause of safeguarding peace and stability in this region and in the world.

Border Survey Memorandum Signed With Burma

BK2506132991 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 25 Jun 91

[Text] The Lao, and Myanmar [Burma] Technical Border Committees signed a memorandum in Vientiane this morning. The technical border commmittees jointly conducted a survey on the demarcation line between the

two countries from January to May. One hundred and ten out of 256 kilomters of the land and water along their common border has been surveyed. The memorandum signed this morning gives the result of the first phase of the survey operation, and the survey operation to be conducted in the dry season of 1992, as well as a number of related undertakings.

Signing the memorandum for the Lao and Myanmar sides were Ouan Phommachak, deputy director of the Second Department of the Foreign Ministry and head of the Lao-Myanmar Technical Border Committee, and (U Wynn Lwin), director of the Boundary Department and head of the Myanmar-Lao Technical Border Committee.

Memorandum on Japanese Aid to Library Signed

BK2706013691 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 27 Jun 91

[Text] On the afternoon of 25 June, a ceremony was held at the Ministry of Information and Culture to sign a memorandum on gratis aid in the cultural field worth 21 million yen from the Japanese Government to Laos. The aid is to be used for improvement of the national library. The money will be used for purchasing necessary equipment and facilities for the library as well as for trucks to be turned into small mobile libraries to serve people in remote areas.

The Japanese Government has apparently given more and more assistance to the Lao People's Democratic Republic in the cultural field and other areas.

Signing the memorandum were, on the Lao side, Paseut Sisanon, deputy minister of information and culture, and, on the Japanese side, Shigemi Ando, Japanese ambassador to Laos.

Implementation of Foreign Economic Policy Viewed

BK2606072391 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 26 Jun 91

[PASASON feature: "What Is New in the Foreign Economic Relations Policy?"]

[Text] Respected listeners, the broadening of relations with foreign countries is considered important in the implementation of our party's political policy on comprehensive renovation. For this reason, in previous years we have promoted and expanded our economic relations with foreign countries, thus gaining a considerable amount of funds in aid and loans from foreign countries for socioeconomic development in our country. In addition, investors from many foreign companies have invested in various projects in our country, such as the survey project to exploit natural resources. The number of projects on the business production of various branches invested in our country by foreign investors has also increased. This has resulted in promoting and brightening the socioeconomic development in our country.

Nevertheless, in implementing this work, we still have many weak points. For example, we want to broaden economic relations with foreign countries and to draw foreign investment, but we do not have a comprehensive plan, concrete information, and systems or regulations needed to create favorable conditions for investors. The result has been a limit in activities in doing this work which should have been carried out more effectively.

In the years to come, we must continue to follow policy on this issue ever more positively, based on the useful lessons that we have learned in doing this work in the recent past. We must make full use of new potentials and favorable conditions in carrying out foreign economic relations in order to promote our country's goods-oriented economy and to take part in the process of international cooperation one step at a time.

Basic guidelines for the implementation of this work are to promote direct investment by foreign countries in our nation's production business. To create favorable conditions and confidence for foreign investors, it is necessary to adopt additional regulations to be included in the law on foreign investment and to put forth other necessary policies on this issue. At the same time, it is appropriate to work out a policy on special economic zones and industrial zones where goods for export are produced. Policies on making concessions in mining, forestry, and other fields must also be mapped out. In this regard, it is necessary to guarantee an effective balance of work in each field, raise management efficiency, increase the quality of service, and provide documents containing complete and clear economic and technical information and data. It is also necessary to do away with unnecessary systems and regulations that only cause inconvenience, disturbance, and confusion to foreign investors. All the above are aimed at providing convenience for investors, managing investments ever more effectively, and encouraging more foreign investors to make ever broader investments in our country.

On the other hand, we must also continue to maintain good relations with various countries, international financial institutions, and other organizations in order to gain financial assistance or loans for national development and construction. All these must be done in a systematic and ever more efficient manner than before.

Philippines

Manglapus Forecasts Accord on U.S. Bases 'Soon'

HK2706105391 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Jun 91

[Report by Rey Arquiza]

[Text] Foreign Affairs Secretary Raul Manglapus today announced that a new agreement regarding the extension of the U.S. bases in the country will soon be reached by the Philippines and the United States. Manglapus said the only remaining unresolved issue is duration, which

involves a seven-year extension and a two-year withdrawal. The Philippines' original position is seven years, while the United States wants 10 to 12 years. Manglapus, however, did not say whether the United States has agreed to the compensation demand of $825 million per year for the extension of the U.S. bases in the country. According to Manglapus, the Philippines should even raise the rent it is demanding from the U.S. because he said that the Filipinos suffered more than the Americans in the eruption of Mt. Pinatubo. U.S. chief negotiator Richard Armitage is scheduled to arrive in the country next month to wind up the negotiations on the bases issue. Manglapus said the Americans will not leave the country, although their military bases have been greatly affected by the Mt. Pinatubo eruption. What Manglapus said was earlier stated by U.S. Embassy spokesman Stanley Schrager who said: We don't intend to abandon our bases in the Philippines.

Official Explains U.S. Role in External Defense

HK2706044491 Manila THE CHRONICLE in English 27 Jun 91 p 7

[By Manny Mogato]

[Text] The bilateral security agreement between Washington and Manila would oblige the Americans to shoulder external defense requirements of the country even as operations in the two large U.S. military bases here have been disrupted by the eurption of Mount Pinatubo two weeks ago.

A senior armed forces official said the 1951 Mutual Defense Treaty would force the Americans to help the country in case of an external aggression even if the American intervention would need a ⅔ vote from the U.S. Congress.

"Even with the possible dislocation of Clark Air Base, the U.S. obligation (for air defense) to us remains," a member of the AFP [Armed Forces of the Philippines] general staff said.

The American security blanket does not only protect the country but the entire Asean region where the Americans have vital interests, especially in protecting the sea lanes of communications (SLOC) at the South China Sea and Malaccan Straits.

The military said the country has a number of defense and military agreements with the Americans, including the 1947 RP [Republic of the Philippines]-U.S. Military Bases Agreement which defines the status of American military forces in the country.

Both the bases agreement and the mutual defense treaty are separate from each other that the Americans would be obliged to provide security assistance to the country even if the bases would be abandoned by the Americans. [sentence as published]

The importance of the bases, especially after the eurption of Mt Pinatubo, appeared to have diminished but local armed forces officials believed that the strategy value of the bases remained.

"We cannot really second-guess them at this point because while in a physical sense the value of Clark Air Base has been reduced, the strategic relevance is still there," a senior military analyst at Camp Aguinaldo said.

There are also a number of factors to be considered in retaining or abandoning the bases here, including the availability of skilled labor, strategic location of the facilities as well as acceptance of U.S. forces in the host country.

But an important factor in determining the importance of the U.S. bases here would be cost of repairing the damages and the cost of replicating the capabilities of the bases in other areas in the region.

The military analyst likened the situation of the Americans to a tenant renting an apartment for next three months only and the tenant is facing the option of repairing the damage of the apartment where he would only stay for the next three months or looking for another apartment where he could spend just the same.

An American technical team would be arriving next week to make a more detailed assessment and evaluation of the damages on Clark and Subic naval base.

The cost-benefit assessment would be made to help the Pentagon decide on whether to abandon or retain Clark Air base in Pampanga which was devastated by the eruption of Mt Pinatubo.

Mount Pinatubo Effect on Economic Growth Viewed

HK2706053691 Manila THE CHRONICLE in English 27 Jun 91 p 1, 10

[By Rene de los Reyes]

[Text] The Mount Pinatubo disaster is not likely to dramatically slow economic growth this year, the government's chief economist said yesterday.

Socio-Economic Planning Secretary Cayetano Paderanga said he expects growth rate of the gross national product, or the total output of goods and services, to remain within the official forecast of between 1.5% to 25%.

"However, the disaster makes more probable that the growth will be at the lower end of the range, instead of the higher end as we had been saying shortly before the eruption," Paderanga said.

Paderanga, who also heads the National Economic and Development Authority (Neda), said the disaster's adverse impact on domestic output could still be minimized by the timely and massive reconstruction effort now being put together by the government.

Paderanga based his assessment on the fact that the share of Central Luzon in the country's gross domestic product (GDP) this year is estimated at 8.3%, or P [Philippine peso]9.34 billion to P9.37 billion.

He also estimated the gross value added (GVA) of the three provinces' (Zambales, Pampanga and Tarlac) agricultural production at about 4% of total agricultural output of the country.

Agriculture Secretary Senen Bacani had reported that damage to agriculture may not be as extensive as earlier reported, because a big portion of about 80,000 hectares of farmlands affected had already been harvested when the disaster took place.

He said about 20,000 ha of the affected farmlands could immediately be rehabilitated to prevent further opportunity losses of as much as P2 billion for every cropping season that the farmlands are not put into production.

Paderanga placed the damage from the eruption at about P3-5 billion, a figure that incorporates the P1.8-2.4 billion needed to restore public infrastructure and another P1 [to] restore public infrastructure and another P1 billion the agriculture department had estimated is needed to rehabilitate farmlands.

Paderanga said the cost of rehabilitation is only one of the economic effects. He cited four other major impacts wrought by the disaster unemployment, loss of livelihood, foreign-exchange losses and possible inflation.

He cited reports from the labor department that up to 687,000 workers have been rendered unemployed, with 20% of the number fleeing to Metro Manila.

Of the 687,000 displaced workers, 385,000 were employed in industries, while 293,000 were agricultural workers.

The partial damage to Zambales' mango-growing industry would result in foreign-exchange losses for the country because the province made up a large portion of the country's total mango exports.

Aquino Calls on Labor Leaders To Stop Protest

HK2706025191 Manila Far East Broadcasting Company in Tagalog 0100 GMT 27 Jun 91

[Text] The 1 May Movement said it will continue holding protests in various places in the country. The group's spokesman, Nick Elman, stressed the government has no moral or legal reasons for maintaining the present oil prices. According to Elman, with the present calamity, President Aquino should take note of the need to cut oil prices. Elman assured that in the next few days, other organized labor groups will join them, thus paralyzing normal labor operation.

Meanwhile, President Aquino called on labor leaders not to continue their nationwide protest. Aquino told labor groups not to resort to violent measures should the government fail to immediately grant their demand for an oil price rollback. Mrs. Aquino was hoping that the workers could wait until the Oil Price Stabilization Fund issue is resolved before they carry out any action. The president emphasized that she understands the workers' need but that she can not sacrifice the nation's interests.

Poll Shows Public Preferences for President

HK2706055491 Manila PHILIPPINES NEWSDAY in English 27 Jun 91 pp 1, 2

[By Mariquit Almario]

[Text] Despite her repeated pronouncements she would not seek reelection next year, President Aquino topped the Ateneo de Manila Public Opinion Survey (POS) as the "best president" in 1992.

The survey, however, showed that Senator Joseph Estrada topped the people's list as the presidential aspirant most likely to win the 1992 elections.

The survey also found out that if snap elections were to be held this year, Mrs Aquino would be the Filipino people's number one choice for president.

The presidential aspirants included in the survey were Aquino, Estrada, Defense Secretary Fidel Ramos, former Agrarian Reform Secretary Miriam Defensor-Santiago, Vice President Salvador Laurel, Senator Juan Ponce Enrile, Speaker Ramon V. Mitra, Senate President Jovito Salonga, Executive Secretary Oscar Orbos, industrialist Eduardo "Danding" Cojuangco, Senator Ernesto Maceda, Senator Aquilino Pimentel and former First Lady Imelda Marcos.

For the question "Which candidate will most likely be the best president in 1992," 14 percent of the respondents from all over the country chose Mrs Aquino; 12 percent, Estrada; 12 percent, Santiago; 10 percent, Ramos; 7 percent Salonga; 4 percent, Orbos; 4 percent, Laurel; 3 percent, Enrile; 2 percent, Mitra; and one percent each for the other presidential aspirants.

"The most important criterion for best presidential material was the candidate's capability and performance record. However, popularity outranked capability in the respondents' list of reasons why candidates were likely to win," the survey explained.

The Ateneo POS, computing the "presidentiability index" of each aspirant, showed that Estrada ranked the highest, followed by Aquino, Ramos, Santiago and Laurel.

"The presidentiability index serves as the tentative indicator of each candidate's prospects in the 1992 elections," the survey stated.

Despite Mrs Aquino's rating high among "presidentiables," the survey showed that her popularity had not improved compared to last year's similar survey.

"The margin of satisfaction for President Aquino stood at 24, the same margin of satisfaction observed in 1990. This margin still represents the lowest satisfaction rating for the President since the first survey round in May 1985," the survey stated.

The POS covered a total of 1,200 respondents from Metro Manila, Luzon (Regions 1 to 5), Visayas (Region 6 to 8) and Mindanao (Regions 9 to 12).

Aside from the 1992 prospects, the survey also showed that:

—The people are generally more satisfied with the performance of the Senate than the House of Representatives;
—The national and local governments registered slowest in providing assistance during the recent calamities such as the July earthquake and the typhoons; the media registered the fastest in providing help during calamities;
—The people are generally dissatified with government moves to solve the country's debt problem;
—The people still believe in the election process as 94 percent said they would vote in 1992;
—Vote-buying was the major influential factor in the coming elections;
—Economic policy was the most important issue that should be tackled by the presidential aspirants;
—Enrile, followed by Mrs Aquino, was the least undesirable president in 1992;
—Forty-three percent believe that the Church has a role in politics as against 41 percent who believe the Church should stay out of it;
—The military was the highest offender of human rights, and
—Forty-eight percent want the U.S. military facilities to stay indefinitely, as against 27 percent who want them to withdraw immediately.

IMF Said Not Expected To Release New Funds

HK2606023591 Manila BUSINESS WORLD in English 26 Jun 91 pp 1, 5

[By Ma. Gertrudes M. Chavez]

[Text] There will be no new funds from the International Monetary Fund even if the current 18-month standby arrangement is extended up to December 1992 from August of the same year, Central Bank Governor Jose L. Cuisia, Jr. told reporters yesterday.

The extension of the program was a condition imposed by the Paris Club so that the rescheduling of debts would cover $1.5 billion in Philippine external obligations or those falling due up to December 1992. A rescheduling of obligations maturing in August next year amounts to restructured debts of only $1.04 billion.

Last February, the Philippines obtained a $916-million financing package (in Special Drawing Rights) from the IMF to be released within one and a half years. Of this amount, roughly $400 million has already been drawn by the Philippine Government.

Mr. Cuisia, however, clarified the Philippine Government would still formally request for the extension of the program in August in time for the IMF review of the country's economic performance. He said the request was cleared with senior officials of the IMF during the recently concluded Paris Club discussions.

However, Government is still eyeing alternatives to extending the program. Mr. Cuisia said one possibility would be to negotiate a new credit facility with the IMF.

One difficulty with maintaining the 18-month program is the economic austerity it imposes on the country, such as a virtual freeze on domestic oil prices even as world crude prices are declining.

In addition, the ceilings imposed on the consolidated public sector deficit are onerous to Government, causing delays in the implementation of vital infrastructure projects. At any point in time, failure to meet the IMF criteria not only imperils the release of the remaining tranches but also bars other foreign loan inflows as well.

The extension of the standby arrangement would mean revisions in the country's economic targets. Mr Cuisia said the IMF would have to add one quarter to the test period next year, using the same performance indicators. He said that, by that time, the Oil Price Stabilization Fund would have built up a sufficient buffer and there would be no need to include this in the performance criteria.

Mr. Cuisia also released yesterday the profile of Paris Club consolidated debt covered in the rescheduling agreement. Of the $1.5 billion Paris Club obligations, the principal totals $974 million while interest payments amount to $622 million.

The $974 million principal is broken down into: $626 million, maturing obligations; $348 million, previously rescheduled loans; $344 million, official development assistance [ODB]; and $630 million, non-ODA.

The Philippines obtained maximum relief consisting of repayment stretched out over a 20-year period for debts classified as official development assistance. These ODAs will have a grace period of 10 years.

On the other hand, non-ODAs shall have a repayment period of nine years with a five-year grace period. Interest rates vary from country to country and are negotiated bilaterally.

Apart from the stretched-out repayment, each creditor country may also voluntarily undertake limited debt-for-nature, debt-for-aid, debt-for-equity swaps, or other local currency debt swaps. Mr. Cuisia said a total of $63 million will be available for debt swaps.

Communist Rebels Seek Talks With Government

HK2706115791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Jun 91

[Text] The National Democratic Front [NDF] has again requested that negotiations be held between the communist rebels and the government. The NDF national executive committee said now is the time to resolve the problems of the country. In the face of the Mt. Pinatubo

eruption, the New People's Army's [NPA] Alvarez Peralta Command operating in Pangasinan and Zambales announced a unilateral cease-fire. This is reportedly a genuine manifestation of the NPA's wish to negotiate for the resolution of social, economic, and political problems. The NPA's Alvarez Peralta Command said it has suspended its offensives against the military so as not to delay the delivery of aid to the victims of the Mt. Pinatubo eruption. This proposal by the NDF for new talks is their third initiative since last year. Its first offer for talks was in September 1990 and it was again presented in May 1991, but both were rejected by President Aquino. The NDF also urged the Aquino government to review its priorities. The government's total-war policy and its practice of following the dictates of the IMF and the World Bank only worsen the suffering of the people. This is further aggravated by serious graft and corruption and the destruction of our natural resources.

Conflict in Mindanao Displaces '5,703' Families

HK2506104591 Davao City PEOPLE'S DAILY FORUM in English 22 Jun 91 pp 6, 16

[By Yen Luzon of Halad]

[Text] Five thousand, seven hundred three (5,703) families have been displaced by armed conflict in Mindanao from January to May, this year, the Humanitarian Alliance Against Disaster (HALAD) Foundation reported.

The incidents of armed conflict such as military/CAFGU [Citizens Armed Forces Geogrpahical Unit]-NPA [New People's Army] encounters, massive military operations and anti-Communist campaigns turned out to be dominant causes of the dislocation of civilians. HALAD recorded 19 incidents of displacement (January-May) of which 16 cases were caused by encounters and military offensives. Other causes were also cited such as cattle rustling which sparked the armed conflict between members of the Moro National Liberation Front (MNLF) and farmers of Brgy. [Barangay] Dimayon and Nunungan, Lanao del Norte. Such conflict caused the dislocation of 585 families from their respective abodes. Another incident was the evacuation of 95 families in Brgy. Lower Paniki-an, Pitogo, Zamboanga del Sur caused by the killing of a church worker. Two cases of demolition also attributed the increasing number of displaced families in Mindanao. One was in Davao city where 56 families in J.P. Laurel lost their homes and livelihood in the demolition. Likewise, 535 families were evicted by demolition in Brgy. Carmen, Quezon municipality, Bukidnon.

HALAD said there are other possible evacuation incidents that remained undocumented. Hence, the total number of displaced families from the month of January to May could have been higher. Primarily, HALAD rely on reports of dislocation from its local centers BREAD (Bread for Emergency Assistance & Development, covering the provinces of Agusan, Surigao, Misamis Oriental, Bukidnon and Camiguin), DIRECT (Disaster Response Center, covering some areas of Davao del Sur and provinces of North & South Cotabato) and HALAD-West (covering provinces of Zamboanga, Misamis Oriental and Jolo). The reports revealed that evacuations caused by military operations were glaring.

In March, 650 families from Brgys. Altavista and Eman, Bansalan, Davao del Sur flocked down to school buildings as sporadic gunbattles between gov't troops and NPA rebels erupted. In the same month, massive military offensives were launched in the hinterland barangays of Lianga and San Miguel municipalities, Surigao del Sur, forcing the mass evacuation of 1,070 families. There were unaccounted number of families who fled to the forested areas inaccessible for relief agencies to extend food and medical assistance.

HALAD's local center BREAD monitored 688 families from 13 barangays of San Luis and Prosperidad municipalities, Agusan del Sur who were displaced in May because of forced recruitment in the Alsa Masa [People's Uprising] and CAFGU (para-military groups)-a massive campaign launched by gov't forces against insurgency. BREAD reported that two (2) women-evacuees died of miscarriage and complicated illness while at the evacuation center.

In Misamis Occidental, 500 families from Brgys. Petianan and Maramara left their home when Communist rebels attacked a military camp. In Banay-banay, Davao Oriental, 410 families suffered untold hardships as they were forcibly evicted from their domiciles because of military bombings. As of this writing, many children-evacuees are plagued by epidemic measles and are in dire need of medical assistance.

For financial and material support to the displaced victims, please send donations to HALAD Foundation, P.O. Box 109, Rambutan St., Bajada, Davao City or call 7-96-30.

Over 1,000 Muslim Rebels Reportedly Surrender

HK2106153791 Manila MANILA BULLETIN in English 21 Jun 91 pp 1, 18

[By Archie Monterola]

[Text] Marawi City—Over a thousand Muslim secessionist rebels and their top leaders surrendered yesterday to Defense Secretary Fidel V. Ramos during reconciliation rites at the provincial capitol here.

Hadji Abdul Al Fata Karim, alias Kumander [Commander] Alfata, leader of the Ranao Sur Revolutionary Committee of the Moro National Liberation Front (MNLF), led the surrenderers. He was MNLF Chairman Nur Misuari's key leader for 19 years.

Ramos, who took time out from relief and rehabilitation work at Mt Pinatubo, hailed the surrenderers for taking the act of peace.

Speaking on behalf of President Aquino, the defense chief assured Alfata that the government will assist them in livelihood projects such as operation of cooperative rice

mills and copra trading, and passenger jeepneys or fishing boats will be made available to them to augment their incomes.

After the former rebels' oath of allegiance to the Constitution, Ramos received from Alfata 395 high-powered firearms. These include a .30 caliber machinegun, M-79, AK-47, M-16, M-14, Garand rifles, and hand grenades.

Of these firearms, 234 were confirmed in good order while the rest were considered unserviceable.

Ramos also distributed 100 checks in exchange for the firearms, under the government's Balik-baril [gun return] Program. Each M-16 rifle surrendered is "paid" P [Philippine peso] 18,000, half of it in kind and the rest in cash.

The defense chief said that 23 percent of firearms turned in by rebels were from Lanao del Sur alone.

From 1987 to 1990, Ramos said, at least 21,000 rebels surrendered and 5,852 of them were Moro rebels. Of the 7,800 high-powered firearms turned over under the Balik-baril of the National Reconciliation and Development Council (NRDC), 6,000 were from MNLF and the Moro Islamic Liberation Front.

Ramos said the returnees will be issued with individual amnesty cards in order for them to move around freely. They can also request for police and military protection in case of harassment from former comrades.

Alfata was captured by intelligence operatives of the Army's 67th Infantry battalion headed by Maj Jose D. Berbieto in sitio Acacia, Kalanugas last March 5.

The rebel leader's capture led to the mass surrender of his followers.

In his allegiance speech, Alfata said they were forced to take up arms to fight for justice. But he said that after years of hiding, he found out that the government was sincere in correcting the injustices and neglect committed by the past administration.

Lanao del Sur Gov Saidamen Pangarungan witnessed the surrender.

Ramos was accompanied by Undersecretary Eduardo Ermita. They were met by Southcom [Southern Command] commander Maj Gen Gumersindo Yap, 1st Infantry Division commander Brig Gen Eduardo Fernandez, 4th Infantry Division commander Brig Gen Quintin Arcodia, 102nd Brigade commander Col Fred Bautista, Philippine National Police (PNP) Superintendent Meliton Tiburcio of the Autonomous Region of Muslim Mindanao, Iligan district commander superintendent Carlito Aguilos and Lanao Sur PNP provincial director Omar Minapilang.

Muslim Rebel Leader Purges Top Commanders

HK2706041091 Manila THE CHRONICLE in English 27 Jun 91 p 7

[Text] Separatist leader Nur Misuari has purged three of his top commanders after he discovered an alleged plot to remove him from power, senior armed forces officials said.

Citing military intelligence reports from abroad, the military sources said the leader of the largest faction of the Moro National Liberation Front (MNLF) replaced his army commander and two top political advisers for plotting to seize control of the rebel movement.

The alleged "coup attempt" cost Mihalm Alam his position as head of the MNLF general staff and commander of the 10,000 separatist guerillas in southern Philippines.

Abubakin Lucman, the MNLF secretary-general; and Hatimil Hassan, the vice-chairman of the MNLF, were also removed for their alleged involvement in the conspiracy to oust Misuari from power.

Dr. Thambiyapa Manjoorsa, a moderate secessionist leader, was projected to replace Alam as army commander but was resented by some field commanders.

It took the military intelligence some time to learn about the purge in the MNLF leadership because most of them were living in exile in the Middle East.

Military officials predicted a further split in the MNLF movement because of the purging operations and Misuari's declining popularity.

The MNLF movement was broken into three main factions in the late 70's and early 80's because of a split in the leadership.

Hashim Salamat, a fundamentalist leader, was Misuari's number two man when he organized his own Moro Islamic Liberation Front (MILF).

His successor, Dimas Pundato, also broke away from Misuari and organized the MNLF reformed group. Pundato has rejoined the Aquino government and is now head of the Muslim Affairs office.

His former chief of staff, Dante Sangcopan, assumed leadership of the much reduced reformist group.

Thailand

Agreement Reached in Textile Talks With U.S.

BK2706012991 Bangkok BANGKOK POST in English 27 Jun 91 pp 1, 2

[Text] Thailand and the United States yesterday decided to adopt a new textile agreement after two and a half years of negotiations following the expiry of the previous accord in 1988.

The success came at the last minute of talks which took the two negotiating parties to Phuket Airport toilets and

into the air on their way back to Bangkok to settle their differences after a futile three days of negotiations at the beach resort.

The Thai and US negotiators ended their 10th round of talks at the Cape Phanwa Sheraton Hotel without any conclusive agreement. The last round was held in Washington, D.C.

The success through last-ditch efforts by the US and Thai chief negotiators—Ambassador Ron Sorini and Foreign Trade Department director-general Chare Chutharattanakun—is expected to create an atmosphere of confidence in the Thai garment and textile industry which had been enveloped by an air of uncertainty following the expiry of the previous textile agreement in 1988.

Ambassador Sorini said he was happy that an agreement had finally been reached and was confident that the accord would benefit both countries.

The agreement comes at a time when the two countries had reached a critical stage because the Multi-Fibre Agreement (MFA) was due to expire next month and there was uncertainty in the GATT's Uruguay Round.

Under the present circumstances of uncertainty, the agreement reached between the two negotiating teams was a positive thing for both countries.

The agreement was made possible because the Thais and Americans had adopted compromising stands in the talks and based their reasons on the spirit of give and take, Mr Sorini said.

He credited FTD director-general Chare for the success of the talks and dubbed the senior Commerce Ministry official as a "tough negotiator."

Mr Chare said the agreement reached yesterday would cover a period of three years between 1991 and 1993.

Under the agreement, the US will impose specific quota limits (SL) on 15 categories of Thai exports under Group One (textile) which covers seven categories of fabric, five categories of yarn and three other textile items.

The combined exports of items under Group One will be set at 215 million square metres during the first year of agreement, with an annual growth of 6 percent.

For exports under Group Two (apparel), the US agreed to set the aggregate quota limit at 180 million square metres during the first year, with an annual growth of 6 percent.

Of this, 30 export categories covering a combined export of 132 million square metres will be placed under SL.

The US, however maintains its right to negotiate through the recently established Thai-US consultative mechanism to place the non-SL items under Group One and Group Two under its specific quota limits if it is considered necessary.

However, Washington agreed that it would allow imports of non-SL items from Thailand which are subject to limitations to enter the US at the growth rate of 15.5 percent each year.

Meeting sources said the three-day long negotiations here had been conducted amid a good atmosphere but negotiators had failed to reach conclusive agreement because of differences over categories 625-629 (hand-made filament fabric).

During negotiations at Phuket Airport's VIP toilet, the US agreed to limit the Thai export quota of the five categories to eight million square metres. However, the export of category 625 (poplin broad cloth) alone must not exceed seven million square metres.

Thailand and the US had come to terms on more than half of the export items under Group Two during the previous round of talks in Washington and managed to clear the last hurdle on board Flight TG-292 which was taking them from Phuket to Bangkok last night.

Prime Minister Praises SNC Achievements

BK2606135791 Bangkok Radio Thailand Network in Thai 1200 GMT 26 Jun 91

[Statement by Prime Minister Anan Panyarachun to correspondents; in Phatthaya on 26 June—recorded]

[Text] I feel that it [the Supreme National Council (SNC) meeting] represents a satisfactory progress, because all four factions seem to be aware of the urgent necessity to restore peace and achieve reconciliation among themselves. Every past negotiation always encountered obstacles because each faction held that its standpoint was correct and gave too little importance to the interests of the Cambodian people and the country. At the present time, it is evident that the world has changed a great deal. Everywhere, be it Eastern Europe, China, Latin America, or South Africa, people are placing faith in the process of negotiations. Those people who have problems have tried to solve their problems for the benefit of their nations. I feel that this is the big change that has taken place with the four Cambodian factions. I feel that the Cambodian leaders came to realize this point at their meetings in the past few days in Phatthaya.

I feel that Prince Sihanouk, being the Cambodian leader recognized by every faction whose neutrality is trusted by every side, has indeed played a great role in getting each faction to come to an agreement. But it is a preliminary agreement. What is important is that the SNC could carry out its functions, that the problem regarding the process was resolved, and agreements were reached by the four factions on several important issues.

Anan on Embassy, SNC, ASEAN

BK2706040391 Bangkok Radio Thailand Network in Thai 0000 GMT 27 Jun 91

[Text] At 2000 last night, Prime Minister Anan Panyarachun and his wife hosted a dinner in honor of Prince

Norodom Sihanouk and members of the Cambodian Supreme National Council or SNC at the Royal Cliff Hotel in Phatthaya.

The prime minister delivered a speech offering his congratulations on the progress of the talks to resolve the Cambodian problem. On the same occasion, Prince Sihanouk expressed his thanks to the Thai Government for its support for the SNC meeting in Phatthaya, and said that leaders of all the four Cambodian factions will continue their efforts to solve the Cambodian conflict by making more compromises with each other.

After the dinner, the prime minister spoke to reporters saying that the Thai Government is preparing to open a Thai embassy in Phnom Penh soon.

[Begin recording] [Anan] Once the SNC is established in Phnom Penh in November, the Thai Government plans to send an ambassador to be stationed there and open a Thai embassy in Phnom Penh.

[Reporter] How about our old embassy in Phnom Penh?

[Anan] We used to have an embassy there. I feel that Cambodia is an important neighbor of ours, and in the future all of our political, trade, and economic contacts with Cambodia will be more significant. Therefore, I have ordered the Foreign Ministry to find a suitable location for our new embassy in Phnom Penh.

[Reporter] Have you consulted with Prince Sihanouk on this matter?

[Anan] No, I have not. It is still too early, but I want responsible officials to find a plot of land in Phnom Penh which is suitable to build a Thai embassy.

[Reporter] Will the Thai Government help renovate the old Cambodian embassy in Thailand?

[Anan] Naturally, yes. Once the SNC is established, we will allow the old Cambodian embassy, which is located on the Ratdamri Road in Bangkok, to become the property of the SNC. The SNC meeting in Phatthaya set up three working committees which will hold consultations before the next SNC meeting is held in Bangkok in the latter part of August. Therefore, the Cambodian embassy in Bangkok will be used as the headquarters for the SNC meeting.

[Reporter] Sir, you have said Thailand will continue to support the UN peace process for Cambodia, but the Cambodian factions have still not reached agreement with each other on some points of the UN peace process. What do you think about this?

[Anan] There are still a few points on which they have not yet reached agreement. The Cambodian factions will have to reach agreement among themselves. Thailand will not meddle in their business. Thailand will only play a supportive role to make the talks among the Cambodian factions a success.

[Reporter] Have you discussed with Prince Sihanouk about persuading the Indochinese countries to join ASEAN?

[Anan] No, because it is not a matter of persuading the Indochinese countries to join ASEAN, but we have to be prepared for the future. In the next one, two, three, or five years, their economic systems may become free through the use of the market mechanism. It is possible that one day the Indochinese countries may want to apply for membership of ASEAN. We are not inviting them or pushing them to join ASEAN; the decisions will be up to the Indochinese countries themselves.

Papers Discuss SNC

BK2606094391

[Editorial Report] The 26 June issues of Thai vernacular papers MATICHON and THAI RAT carry editorials on the meeting of the leaders of the four Cambodian factions, or the Supreme National Council [SNC], currently being held in Phatthaya, Thailand.

The 500-word MATICHON editorial, on page 8, entitled: "Free Loaders," notes the history of the failed talks involving the four Cambodian factions on a resolution of the Cambodian problem and cites signs that the current Phatthaya talks are heading toward a stalemate. The editorial says: "One view of the current meeting on the Cambodian problem is that the participants are a group of free loaders. They have kept switching their meeting sites between Jakarta and Phatthaya as if they were changing places to dine and sleep in luxury. It might be a good idea to provide cheap hotels and plain food for them while they try to iron out their problems, thus saving funds from our national budget. They should have been able to settle their problem by now if they really cared for their national interests; but it is evident that they are more concerned about their selfish interests."

The 400-word, page 3 THAI RAT editorial, entitled: "One State Two Governments," says: "It would not be a boast to say that the four Cambodian factions succeeded in reaching agreement on several issues in principle, including the site of the SNC, the flag, and the national anthem, because Thailand was able able to convince the Cambodian leaders that continuation of their stalemate would deprive them of an opportunity to obtain funds and foreign assistance for national reconstruction."

The editorial continues: "The successful agreement pertaining to a cease-fire, flag, national anthem, and Phnom Penh as site of the SNC amounts to a declaration that they are more than half way to achieving national reconciliation. There was even a call for foreign countries to send diplomatic missions to Phnom Penh, although two governments exist in one state there."

The editorial concludes: "The Phatthaya meeting will not result in complete settlement of the Cambodian problem; more meetings will be necessary as long as Hun Sen and Khieu Samphan cannot reach a compromise. But it is

certain that Cambodian representatives will attend the World Bank conference in Thailand in October."

Visa Restrictions for Middle East, Africa

BK2606005991 Bangkok BANGKOK POST in English 26 Jun 91 p 1

[Text] The Foreign Ministry has issued a new regulation imposing visa requirements on tourists from 14 Middle East and African countries.

Ministry sources said the requirements were part of security measures leading up to the World Bank-International Monetary Fund annual meeting in Bangkok in October.

The visa requirements would enable Thai authorities to screen visitors from the countries of those two regions.

The regulation, introduced on June 3, affects citizens from Israel, Bahrain, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates, Yemen, Algeria, Egypt, Nigeria, Sudan and Tunisia.

Visitors from the 14 countries previously could enter and stay for 15 days in Thailand without a visa.

Anan Not Interested in Becoming Next Premier

BK2606010991 Bangkok BANGKOK POST in English 26 Jun 91 p 1

[Text] Prime Minister Anan Panyarachun yesterday politely declined a suggestion by elder statesman M.R. Khukrit Pramot that he should vie for the premiersip in the next government if no other person wants to assume the post.

"I wish to thank M.R. Khukrit Pramot for the honour bestowed on me. But, in fact, the authority, duty and responsibility of a prime minister does not fit in with my behaviour because I am a person who likes something simple. I don't like something which is confusing," said the Prime Minister.

Asked if he will accept the premiership if the country demands it, he said, "That is a matter of the future."

Deputy Prime Minister Michai Ruchuphan, meanwhile, thanked M.R. Khukrit for praising Prime Minister Anan's administration.

Asked about the prospect of a non-elected individual being named prime minister after the next election, Mr. Michai explained that, as a matter of democratic principle, the elected MPs must choose one of them to assume the premiership.

"If they cannot choose one, they must have a good reason to explain to their electorate. Whether we will be truly democratic depends on this very point. It does not depend on the constitution because the constitution leaves the two options open," he said.

Prime Minister's Office Minister Mrs. Saisuri Chutikun said she believes Mr Anan will not accept the next premiership "because he does not want to get too involved in politics and, besides, he is a man of principle."

Deputy Finance Minister on Economic Outlook

BK2606012991 Bangkok THE NATION in English 26 Jun 91 p B1

[Text] Deputy Finance Minister Wiraphong Ramangkun yesterday dismissed suggestions that an economic crisis is looming. He said there should be no undue concern about the current account deficit, decreased foreign exhcange earnings, tight money supply and other matters.

He said the growing deficit in the current account is a result of increased imports of capital goods following the hefty cut in machinery taxes.

These imports are long-term investments which will help boost Thailand's competitiveness through lower production costs. This kind of deficit will not be permanent. He said Thai businesses and industries are investing heavily in capital goods as they gear towards increased exports.

Although the economy has encountered severe tests during and after the Gulf war because of higher oil prices and interest rates and less foreign investment and tourism income, the situation has returned to normal.

The World Bank/International Monetary Fund meeting this October should give a boost to the tourism industry which has been hit by the lingering effects of th Gulf war and, lately, the low tourist season.

Wiraphong is more worried by inflation. He said the government will do its best to ensure that it is kept in balance with the pace of economic growth.

"The present inflationary rate of six percent is not worrisome, but we'll be happier if it falls to three to four percent. Meanwhile, inflationary pressure appears to have eased off," he said.

Authorities forecast a current account deficit of Bt [baht] 180 billion this year, representing about eight percent of gross national product.

In the first four months of this year, a deficit of Bt63.3 billion was recorded compared with Bt31 billion in the same period last year.

Wiraphong said there are many options to address the deficit issue and that the percentage represented in the GNP is still much better than that in the crisis years of 1984-85.

At this stage, the government only needs to control money supply, while credit extension should not yet be curbed.

THE NATION Views Political Future

BK2606021491 Bangkok THE NATION in English 26 Jun 91 p A1

[Editorial: "A Party Without Leader"]

[Text] Fifty-nine years after the 1932 Revolution replaced the absolute monarchy with a constitutional monarchy, Thailand is virtually back at square one. A new constitution is still being drafted amid doubts whether Thai people in general and the Thai power elites (military leaders, politicians and senior government officials) in particular are ready for genuine democracy.

It is debatable also whether the power elites, starting from those in Kana Ras (the People's Group of 1932) which led the Revolution, down to the National Peacekeeping Council [NPKC], which overthrew the Chatchai administration in the Feb 23 coup, understand key democratic principles and know how to teach and prepare the populace for political participation and self-government through elected representatives.

For this reason, many people and organizations, including this newspaper, are rather sceptical about the Interior Ministry's programme to "teach democracy" to villagers across the country. For if the power elites do not understand democracy—and understanding here necessarily means putting democratic principles into real-life practice—they cannot teach democracy to others.

Normally the task of teaching democracy to people should be done by political parties, chiefly by means of recruiting party members, electioneering, and more importantly helping their voters and supporters hold a government accountable. In order to perform this task efficiently, political parties must operate smoothly and systematically.

In Thailand, the operation of political parties is occasionally disrupted by a coup; worse still, most of the political parties are poorly organized, so much so that one political scientist calls them "electioneering groups" formed with the sole purpose of contesting general elections.

After an election, elected politicians in a party tend to form factions to advance their interests. Sometimes such divisions lead to serious internal rifts, causing the party to break up in the next election. This is why no major parties have developed since Thailand began to experiment with parliamentary democracy nearly six decades ago.

The Democrat Party, the oldest party still in operation after over 40 years, reached a new peak in the 1986 election but went downhill after that because of internal squabbling and the rebellion of the January 10 group of dissidents. The Social Action Party [SAP] of M.R. Khukrit Pramot was pre-eminent during the late 1970s and early 1980s. It too was weakened by successive breakaways of senior members to form new parties, like the Community Action and United Democratic parties. And only this month, another group of senior SAP members left to form a new party to be called Prachathippatai.

Chat Thai, the core party of the Chatchai coalition government, is no exception. Sa-at Piyawan, a deputy leader, has left to join the Justice Unity Party. He hopes to woo his followers in the Yuttidham faction to join him. Gen Han Linanon, another deputy leader, may also lead his faction to find a new home, perhaps at the New Aspiration Party of ex-army chief Gen Chawalit Yongchaiyut.

Also contemplating leaving is yet another deputy leader, Pramuan Saphawasu. He too may be heading for Chawalit's party.

Chat Thai has been rendered practically leaderless since former premier Gen Chatchai Chunhawan has submitted his resignation as party leader. But the resignation may be part of his attempt to keep a low political profile while the anti-graft Sit Committee is examining his wealth.

The Sit Committee has summoned four senior Chat Thai executives to clear themselves of suspicion that they amassed excessive wealth through illegal means. The four are Pramuan, party adviser Pol Gen Praman Adireksan, secretary-general Banhan Sinlapa-acha, and deputy leader Sano Tienthong.

If Chatchai does refuse to return to lead the party, and if these senior Chat Thai executives cannot clear themselves, their party could face disintegration, like the the Solidarity Party, the second largest party during the previous administration. Former Chat Thai MPs will likely defect in droves to stronger parties. Some senior Chat Thai executives even charge that the probe by the Sit Committee was actually designed to stifle the growth of their party.

Now Banhan and his followers reportedly advocate recruiting an "outsider" with the right connections to lead the party. This week the name of ACM [Air Chief Marshal] Sombun Rahong, managing director of the Airports Authority of Thailand, has surfaced as a possible candidate for the Chat Thai's top post. Sombun has good working relations with military leaders in the NPKC, particularly air force chief ACM Kaset Rotchananin. He is also known as a Chatchai man who worked hand-in-glove with the former premier's advisers at Ban Phitsanulok. His only shortcoming is his lack of experience in parliamentary politics.

While it is still premature to tell whether Sombun will be accepted by Chat Thai, this much is clear the party cannot remain leaderless for long, not while newer parties are actively recruiting former MPs [members of parliament] to beef up their ranks in anticipation of a general election by the end of the year.

Vietnam

Hanoi Reportedly Ready for PRC Border Talks

HK2606082891 Hong Kong AFP in English 0630 GMT 26 Jun 91

[Text] Hanoi, June 26 (AFP)—Vietnam is ready to hold high-level talks with China on officially reopening their common border 12 years after it was sealed amid a brief but bitter war between the communist neighbours, an informed source said here Wednesday.

"Vietnam and China could hold talks on the official opening of the Friendship Gate and the common frontier," the source said, adding that authorities in southern China's Guangxi autonomous region had recently taken steps aimed at opening the dialogue.

"Vietnam is ready to hold these talks at a higher level... conceivably at the level of deputy foreign minister," the source said.

The symbolic Friendship Gate is located just north of the border town of Lang Son, facing Guangxi.

The source said, "Vietnam also wants to reestablish the rail link between Hanoi and Beijing." The 1,300-kilometre (800-mile) long Sino-Vietnamese border was shut after China launched a raid into Vietnam in February 1979 to punish Hanoi for invading Cambodia and ousting the Beijing-backed Khmer Rouge in January 1979.

Hanoi announced in September 1989 that it had withdrawn the last members of its military contingent in Cambodia, while unofficial cross border trade has stepped up in recent years.

Last year, Vietnamese athletes made the first official crossing of the border since 1979 when they headed for the Asian Games in Beijing by the overland route.

Cambodia's warring factions have been meeting in Thailand and taken great strides to resolve their long c vil war, including agreeing on a cease-fire and an end to overseas supplies of military aid.

China is the main backer of the Khmer Rouge and its two non-communist partners while Hanoi is firmly behind the Phnom Penh government it installed.

Charter Flight for Departure Program Arrives

BK2706071591 Hanoi VNA in English 0627 GMT 27 Jun 91

[Text] Hanoi VNA June 27—A jetliner of Northwest Airlines landed at Tan Son Nhat Airport, Ho Chi Minh City, at 1:15 A.M Wednesday morning to take 380 Vietnamese emigrants to the United States and Australia under the Orderly Departure Programme (O.D.P.) between the Governments of Vietnam and the United States.

This charter flight is under a contract between Northwest and the International Organisation for Migration (I.O.M.).

Northwest Airlines is the first U.S firm allowed to do business with Vietnam despite the trade embargo.

"The charters are being operated for humanitarian purposes," said Mr. James Reinnoldt, Northwest's Bangkok-based general manager for Thailand and Indochina.

"The actual charter operation is the end result of almost two years of proposals and discussion, and we finally received the green light to proceed a few months ago," said Mr. James Reinnoldt.

Commenting on the demand for regular airline operations to Vietnam, Mr. Riennoldt added: "there is obviously considerable potentials for scheduled service to Vietnam. We are seeing an average of one new foreign flag carrier each month inaugurating service there and in many cases they are carrying passengers from the United States."

VNA Rejects Troops' Dispatch to Cambodia

BK2506123491 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Jun 91

[Text] A number of foreign newspapers and news agencies recently quoted a Khmer Rouge source as saying that on 15 June, Vietnam sent 1,700 troops with tanks and armored cars into Cambodia to help the Cambodian troops to recapture the town of Pailin.

The VIETNAM NEWS AGENCY is authorized to totally reject this fabrication.

Greetings Sent to Cambodian Central Committee

BK2606155391 Hanoi VNA in English 1450 GMT 26 jun 91

[Text] Hanoi VNA June 26—The Central Committee of the Communist Party of Vietnam has sent a message of greetings to the People's Revolutionary Party of Kampuchea Central Committee on its 40th founding anniversary.

The message praised the glorious victories won by the Kampuchean party and people over the past 40 years in their persistent and indomitable revolutionary struggle against the imperialist, colonialist and reactionary forces for the independence, freedom and prosperity of the country.

The message noted with satisfaction that the solidarity, special friendship and fraternal cooperation between Vietnam and Cambodia, built up by the two parties, have constantly been consolidated and developed.

"Faithful to the tradition of close solidarity between the two parties, for the sake of peace and the development of each country, the Communist Party and people of

Vietnam are determined to do their utmost to defend and develop those relations on the basis of respect for the independence and self-reliance of each party, and sovereignty of each country, trust, equality and mutual interests, and at the same time strive to renew the relations of cooperation in conformity with the situation and tasks of the revolution of each country" the message said..

KPRP Anniversary Marked

BK2706070991 Hanoi VNA in English 0632 GMT 27 Jun 91

[Text] Hanoi VNA June 27—The victories in the two recent dry seasons have further affirmed that the Cambodian Revolutionary Armed Forces can manage the tasks of national defence and the Cambodian state government is capable of defending the revolutionary gains, says NHAN DAN in a editorial today to mark the 40th anniversary of the People's Revolutionary Party of Kampuchea [KPRP] (June 28).

The paper continues:

"The Cambodian state's peace efforts at the dialogues have been valued highly by public opinion. The progress of the recent dialogues among the Cambodian parties have all the more affirmed that the Cambodians can completely settle by themselves the internal affairs of the country so as to reach an overall political solution for peace, stability and cooperation in Southeast Asia.

"Nevertheless," the paper says, "on the path towards peace in Cambodia still lie many difficulties, which require the efforts and good will of all parties to move."

For its part, the army paper QUAN DOI NHAN DAN writes:

"Since the complete withdrawal of Vietnamese army volunteers from Cambodia in September 1989, the People's Revolutionary Party of Kampuchea, despite of [as received] many difficulties and trials, has continued to lead the Cambodian people to win important and comprehensive victories in national defence and construction...

"The fact that more and more countries in and out of the region have established relations with the Cambodian state has testified to its increasing position in the international arena. Meanwhile, the national unity based on national reconciliation has constantly been consolidated and expanded."

The paper welcomes the agreement among the Cambodian parties on an indefinite cease-fire and on an undertaking to stop receiving foreign military aid, considering them as new advances towards a political solution for the 12-year conflict in that country.

New Turkish Prime Minister Congratulated

BK2506144491 Hanoi VNA in English 1309 GMT 25 Jun 91

[Text] Hanoi VNA June 25—Chairman of the Council of Ministers Do Muoi today conveyed his congratulations to Mesut Yilmaz on his appointment as prime minister of the Republic of Turkey.

New Albanian Prime Minister Congratulated

BK2606160291 Hanoi VNA in English 1446 GMT 26 Jun 91

[Text] Hanoi VNA June 26—Chairman of the Council of Ministers Do Muoi today sent congratulations to Ylli Bufi on his appointment as Albanian prime minister.

In his meseage, Chairman Do Muoi expressed his belief that the friendship and cooperation between the two governments and peoples would constantly strengthen and develop.

Oil Deposit Discovered Near Vung Tau-Con Dao

BK2706072191 Hanoi VNA in English 0631 GMT 27 Jun 91

[Text] Hanoi VNA June 27—A big oil deposit has been discovered at Rong (Dragon) oilfield offshore Vung Tau-Con Dao.

The discovery was made on June 23 at Well No.6 at a depth of 3,000 metres. The initial industrial flow is 995 tons of crude per day.

The new well is the richest found so far in the lot and is comparable to the biggest wells at Bach Ho, another major oilfield off the coast of South Vietnam.

Agriculture Minister Says Policies To Continue

BK2506132091 Hong Kong AFP in English 1247 GMT 25 Jun 91

[Text] Hanoi, June 25 (AFP)—Vietnam plans to supplement and further develop proven policies that have catapulted its agricultural food sector from an importer of rice three years ago to the world's third largest exporter, a senior official said Tuesday.

Food, Industry and Agriculture Minister Nguyen Cong Tan told reporters covering the Seventh Congress of the Vietnam Communist Party that from 1976 to 1988 the country was forced to import "9.8 million tonnes of rice and rice equivalent." But a sudden turnround in 1989-90 saw Vietnam record a surplus for export of 1.4 to 1.5 million tonnes of the staple, Mr. Tan added.

The export rate this year had not been as fast as last due to shortfalls in the winter-spring harvest, notably in the north, but the official was optimistic about the summer-autumn crop though unwilling to predict an output figure.

Mr. Tan attributed the change of fortunes in recent years to several major policy changes. The most important of these was giving peasants the right to use land for their own benefit so transforming peasant households into independent production units.

Other important steps were encouraging all economic sectors to help develop agriculture and liberalising the flow of agricultural produce whereby closed market farms were done away with and farmers could send their produce to the markets of their choice.

Mr. Tan, who is a member of the party's Central Committee, said that the congress considered agriculture and food processing industries as top priorities and hoped "to create favourable conditions for developing the old policy and try to supplement it with new policies."

He said the government would continue to give peasants long term use of land—20 to 50 years—and enshrine in law the right to inherit, transfer and use land for security.

The state would continue to exercise ownership over land, effectively preventing farmers from selling or using scarce land resources for non-agricultural purposes in a nation where 70,000 hectares (173,000 acres) is put to other uses every year. Landless and destitute peasants would create social instability, he said.

Investment in areas of quick returns would be encouraged and the Bank of Agriculture would step up loans at acceptable interest rates to encourage farmers, who in the past have had to resort to loansharks leading to a situation where "the poor were made poorer."

Pilot schemes had been carried out in southern Vietnam's Mekong Delta and in the north's Red River Delta but there were problems to be ironed out like fixing the rate of interest, the source of the loan and how to avoid risks if farmers defaulted on repayments.

"Loans to peasants can occupy a major place in agricultural credits," he said.

Mr. Tran said authorities were also examining the possibility of introducing insurance schemes against natural calamities, in a country where some areas are prone to typhoons, floods and insect plagues, but must "work out a policy that is feasible."

The official said supplies of fertiliser posed some problems as the country had to import—an estimated one million tonnes this year and next—while the nature of trade exchanges have changed with its main supplier the Soviet Union.

Fertiliser would also come from Western sources including Japan, South Korea, Malaysia, Indonesia and from South America.

Exports from goods like rice, rubber, tea, coffee and silk bring in an annual 700 to 800 million dollars and the value and volume of exports was likely to increase "very quickly," the minister said.

Rice remains the number one product with 21.5 million to 22 million tonnes expected this year.

Australia

Hawke Addresses Labor Party on Economic Issues

BK2606072691 Melbourne Radio Australia in English 0500 GMT 26 Jun 91

[Text] The Australian prime minister, Bob Hawke, has told the national conference of the ruling Labor Party that it has never had to take on a greater responsibility for the future. The prime minister has accused the federal opposition of planning an attack on low and middle income earners to entrench privilege at the expense of fairness and compassion.

Radio Australia reporter, Graeme Wilde, who is at the conference in the city of Hobart, says Mr. Hawke has used his keynote address to urge the ALP [Australian Labor Party] to set the political agenda for the decade ahead.

[Begin recording] [Wilde] Mr. Hawke said his obligation to the party demanded nothing less than him working to the limit of his capacity to achieve a fifth Labor victory in 1993. He said the campaign was now beginning, coinciding with the first signs of renewed economic activity. He said the August budget would offer further assistance for families.

[Hawke] Details obviously are a matter for the budget, but our firm commitment is that low and moderate income families with kids will be the beneficiaries of such initiatives.

[Wilde] Mr. Hawke said those same people would be the losers under the opposition's regressive consumption tax.

[Hawke] But it becomes totally repugnant when it is understood that part of the purpose of this $12 billion impost is to finance their intended abolition of the capital gains tax. [end recording]

Further Report on Speech

BK2606112591 Hong Kong AFP in English 0428 GMT 26 Jun 91

[By Jack Taylor]

[Text] Hobart, Australia, June 26 (AFP)—Australia's Prime Minister Bob Hawke launched Wednesday a scare campaign based on his conservative opponents' promise of a consumption tax which he hopes will help win re-election to a fifth term in 1993.

But his keynote speech to the Labor Party's centenary year conference was also an appeal to labor's heartland and the promise of recovery from recession with maximum gain for all the pain it had caused.

A liberal-national coalition government promised only the most "divisive, divided and confrontationist" society in Australia's history, Mr. Hawke said.

He made no reference to the continuing convulsions in his own party over the leadership challenge by his former deputy Paul Keating except, perhaps, when he talked of the party's great strengths and added: "Of course we have our differences. How could it be otherwise, given the rich diversity of our party?"

Mr. Hawke, who renewed his pledge to lead labor into the next election, said no labor government had applied the spirit of labor ideals with greater fidelity and none had been more faithful to labor's true traditions.

Recovery from recession, he promised the 101 delegates, would see the lowest inflation for two decades, the resumption of secure employment growth, much improved international competitiveness, improved benefits for the workers and improved productivity through effective microeconomic reform.

Labor's ninth budget would of necessity be disciplined but would nevertheless pursue goals such as that of reconciliation between the aboriginal people and the broader community.

In its 100th year, it had fallen to labor, Mr. Hawke said, to set the agenda for the future of Australia—to set the goals which would determine the nature and quality of Australia for the 21st century.

The next election was two years away, "but in a real sense we begin the campaign now—a two year campaign not just to win the election, but to win the future for Australia."

Mr. Hawke promised to conduct the fight on two fronts.

The first was by continuing reforms to maximise the gains coming from sustained low-inflation economic recovery, to continue to build a more competitive, compassionate and sensitive Australia.

The government would implement reforms flowing from decisions already taken, such as to make housing more affordable through a national housing strategy, to ensure cheaper services in telecommunications and airlines and to cut tariffs with labor adjustment assistance.

"No one regrets more deeply than I the pain that has been suffered by many Australians through the tightening of monetary policy," Mr. Hawke said. But Australia was beginning to emerge from the pain and hardship, the government had brought interest rates down by seven and a half percentage points in 18 months and signs of renewed activity and confidence were beginning to emerge, he added.

"This will be a recovery that unambiguously repays pain with gain—gain not only for workers and their families but for all Australians," Mr. Hawke said.

The second front was to expose the real character and purpose of the opposition liberal-national party coalition, he said. The opposition planned "the most concerted attack in the history of this nation on the living standards of the poor, the underprivileged, the aged and low and middle income earners."

The centrepiece of the attack, Mr. Hawke said, was the broad-based consumption tax which he said would be a 15 per cent tax on all goods and services.

Although appalling enough in itself, "it becomes totally repugnant when it is understood that part of the purpose of this 12 billion dollar impost is to finance their intended abolition of the capital gains tax."

This was intended to restore to the most wealthy members of the community the right to accumulate capital gains on assets which will never be taxed.

"That is the liberal-national party equation, an equation stunning in its simplicity, abhorrent in its purpose: Pay the rich by slugging the poor," Mr. Hawke warned. "And not just the poor, but the middle income earners too—to shove billions of dollars back into the pockets of an already privileged minority."

Former Minister Withdraws From ALP Balloting

BK2506092291 Hong Kong AFP in English 0757 GMT 25 Jun 91

[Text] Hobart, Australia, June 25—The deadlocked ballot for the presidency of the Australian Labor Party [ALP] was broken Tuesday when former Science Minister Barry Jones voluntarily withdrew from the contest, handing the position to right wing Senator Stephen Loosley.

Mr. Jones, a former member of the small centre-left faction, had been sponsored by the numerically dominant left wing faction because it did not have a candidate with enough cross-factional support to win the contest. The two candidates finished with 50 votes each in Monday's ballot of 101 conference delegates after one spoiled his ballot paper by marking a cross instead of a figure one. Some delegates said they believed it was done mischievously, or deliberately to cause confusion and continuing disunity.

However, the erudite Mr. Jones, one of Australia's best known politicians because of fame he won as a television quiz show champion, announced Tuesday he was withdrawing in the interests of unity, healing and the best interests of the party.

Left sources said later that Mr. Jones had consulted them about his decision and they supported it. They said disappointing as it was, Mr. Jones had done the right thing and his decision would help unify the party.

Mr. Loosley said later that Mr. Jones had to be congratulated for the manner in which he conducted his campaign, with good humour, civility and with the best interests of the party at heart.

Evans Backs Decision on PNG Army Officer

BK2606091291 Hong Kong AFP in English 0825 GMT 26 Jun 91

[Text] Sydney, June 26 (AFP)—Australian Foreign Minister Gareth Evans Wednesday backed Papua New Guinea's [PNG] decision to sack an Army officer who admitted Australian helicopters were used as gunships on secessionist Bougainville.

Mr. Evans said the decision showed there was no lack of political will in Port Moresby to investigate allegations of defence force atrocities on Bougainville.

He also signalled a more conciliatory approach to Fiji despite endorsing a party resolution which slammed the country's racially-based Constitution.

A resolution passed at the Australian Labor Party conference in Hobart condemned the 1987 coups which overthrew an Indian dominated government and the subsequent "racist" Constitution which ensures ethnic Fijians will hold power.

Mr. Evans said he was concerned about allegations that Australian-supplied arms were being misused on Bougainville, where peace has still to be attained despite both sides signing a declaration of intent earlier this year.

On Monday an Australian Broadcasting Corp. program showed Colonel Leo Nuia confirming long-standing allegations the helicopters had been used as gunships and to dump bodies of murdered civilians at sea. On Tuesday the colonel was replaced.

Mr. Evans told the conference: "Anyone who had any doubt about the will of the PNG Government to follow this through should be left in no doubt as a result of its actions of the past 24 hours."

The resolution on Fiji urged the government to maintain its ban on military links with Suva and to prepare a code of conduct for Australian companies in the South Pacific to ensure working conditions complied with international conventions.

Mr. Evans said the motion's language was "too robust."

"I say that as someone who is already in deep doo-doo with the Fiji Government as a result of my own robust language in the United Nations and elsewhere," he added.

His concerns included criticism of the current regime as military backed when there had been recent sharp criticism of it from the military, and the description of the chiefly system as feudal, which was inaccurate and "unnecesarily fuels the fire."

Mr. Evans said he now believed diplomacy could produce some results in reforming Fiji's Constitution.

The motion came in a wide-ranging foreign affairs debate where Mr. Evans defeated another resolution slamming the United States for invading Panama and calling for the withdrawal of its forces from the Panama Canal Zone.

However he supported other motions likely to cause ripples, including criticism of Indonesia over the lack of self-determination in East Timor and China's human rights record.

The conference recognised the "reality" of increasing commercial and cultural ties with Taiwan although it did not move closer to formal recognition.

It backed French Government moves towards self-determination in New Caledonia but renewed criticism of French nuclear testing.

The dismantling of apartheid in South Africa was welcomed but the resolution warned against early resumption of full sporting contacts and reaffirmed the need to wait for a new democratic constitution before normalising ties.

Fiji

Businessmen Show Concern Over Labor Disputes

BK2706093591 Hong Kong AFP in English 0817 GMT 27 Jun 91

[Text] Suva, June 27 (AFP)—Fiji's business leaders warned the government Thursday it faces economic catastrophe if it fails to intervene in the protracted disputes crippling the sugar and gold mining industries.

The 1,000-strong Fiji Chamber of Commerce and Industry told Prime Minister Ratu Sir Kamisese Mara he must use his influence to settle the current impasse over demands by sugarcane farmers and local gold miners.

Chamber President Natwarial Vagh said business activity was already declining in major commercial centres around the country.

"Business has ground to a standstill in most sugar towns and even in Suva things are not so good," he said after a meeting of executives representing more than 1,000 firms in the capital.

"It doesn't matter what people say about tourism and others, sugar is the mainstay," he said. "It is the lifeblood and the whole nation rests on it."

The chamber was calling on the prime minister to intervene "to avert a major economic catastrophe."

Mr. Vagh claimed the country was losing millions of dollars a day and the current standoff involving unions, politicians, millers, cane farmers and government statutory bodies had to change.

"I cannot understand why the industry leaders can't swallow their pride, settle their differences and harvest the crop before it is too late."

He said over four million tonnes of the 1991 sugarcane crop was ready for milling.

Time lost now would mean money lost to cane farmers and the nation next year and the situation could worsen with a national strike planned for July 16.

The chamber's call comes a day after the government faced the prospect of losing its main sugar buyer, Britain, if it failed to supply the 175,000 tonnes contracted for.

Sugar farmers are refusing to harvest their crop unless their demands for certain payments are met, while employees of the Australian-owned Emperor Gold Mines are on strike over pay and working conditions.

Sugar Mills Close Following Farmer Boycott

BK2506093091 Hong Kong AFP in English 0734 GMT 25 Jun 91

[Text] Suva, June 25 (AFP)—Fiji's Sugar Corp. (FSC) closed three of its four mills and laid off hundreds of workers Tuesday as a farmers' harvest boycott entered its second month.

The government also lashed out at trade unions for planning a national strike on July 16 in protest against proposed tough antiunion laws, warning it was ready to "face them head on."

Lyle Cupit, chairman of the largely government-owned FSC, said he was disappointed that farmers were maintaining their boycott against government and corporation wishes.

"The three mills, Lautoka, Rarawai, and Penang, which could not crush because of the boycott of harvesting, will now be closed," he said in a statement. [sentence as received]

Jonetani Galuinadi, FSC general manager, said the FSC regretted it had to lay off workers "but the corporation is left with no option in the face of continuing harvest boycott."

FSC would not say how many employees would be laid off but one indication was that up to 2,000 of its 3,500 staff have been or would be made redundant.

Taniela Veitata, employment and industrial relations minister, warned that he would personally deal with the unions if they continued to disrupt the economy.

"The government is prepared to meet them on the bridge and that bridge will only accomodate one person. And I can assure that the government will not be the one to get thrown off," he said, hurling his fist into the air during a newspaper interview and adding: "This is for Micky (Michael Columbus, Fiji Trade Union Congress boss) and his boys."

Cabinet is expected to discuss strategies to counter the union moves when Prime Minister Ratu Sir Kamisese Mara returns from medical treatment in New Zealand on Wednesday.

Fiji's mainly ethnic Indian 23,000 sugar farmers are boycotting the harvest in protest against payments received for last year's crop and the stalling of local growers' council elections.

General Elections Scheduled for Early 1992

BK2506112091 Hong Kong AFP in English 1052 GMT 25 Jun 91

[Text] Suva, June 25 (AFP)—Fiji will hold its first general elections since the 1987 coups as early as March and no later than May next year, officials announced here Tuesday.

The polls were orginally set for this year but deferred to July 1992. They will be held under the racially based Constitution, adopted last year, which ensures indigenous Fijians political dominance over ethnic Indians and other minority groups.

A February-March date was a "hazardous guess and depended on getting too many factors right," Electoral Boundaries Commission Chairman Qoroniasi Bale said. "We would be able to hold elections if everything goes according to plan by May at the latest."

He said the commission had been able to speed up work "as we gathered experience and we thought we could do it with the manpower and money."

Mr. Bale denied there had been political pressure to expedite work following this month's call by Army Chief Major General Sitiveni Rabuka for the government to step down over its failure to resolve industrial disputes.

The government responded during the showdown that the best way to solve the impasse was to return power to an elected government as soon as possible.

"The commission was very careful to be independent of political pressure," Mr. Bale said.

Maj. Gen. Rabuka overthrew an Indian-dominated elected government in May 1987, saying indigenous Fijians were losing political power. He installed an interim government pending elections.

New Caledonia

New Zealand Air Force Chief Pays 24-Hour Visit

BK2606093091 Hong Kong AFP in English 0847 GMT 26 Jun 91

[Text] Noumea, June 26 (AFP)—New Zealand Air Force chief, General Peter Adamson, arrived in Noumea on Wednesday for a 24-hour visit to New Caledonia for talks with the French military authorities.

Gen. Adamson stopped over in the Pacific territory on his way home from visiting the Paris air show at Le Bourget.

During his visit he also met the Chief Administrator of the territory Jacques Iekawec.

New Zealand

PRC Tourist Service To Open Local Outlets

BK2706011891 Hong Kong AFP in English 0055 GMT 27 Jun 91

[Text] Wellington, June 27 (AFP)—China's state-owned Shenzhen Shenhua Tourism Catering Service said Thursday it planned to open a chain of retail and wholesale outlets in New Zealand.

Service General Manager Cui Fusheng said the New Zealand subsidiary South Pacific Chinese Commodity Co. would sell products ranging from food and handcrafts to tractors in New Zealand.

The company has already negotiated a 10-year lease of space in Auckland, he said, adding that plans were under way to hold a trade fair there, probably in the second half of 1992.

A delegation from the southeastern Chinese city of Shenzhen is in New Zealand this week seeking business opportunities.

Shenzhen, which borders Hong Kong, was set up as a special economic zone with more liberal business and investment regulations in 1981.

Papua New Guinea

Further on Australian Helicopter Incident

Officer on Bougainville Arrested

BK2606071891 Melbourne Radio Australia in English 0300 GMT 26 Jun 91

[Text] Papua New Guinea police on Buka Island have arrested a senior officer coordinating the restoration of services to Bougainville. (Patrick Eta), who was a member of the government's task force to Bougainville, was arrested for allegedly collaborating with the Bougainville Revolutionary Army.

A Radio Australia correspondent in Port Moresby, Stephen Damian, says (Patrick Eta) is a member of the Bougainville interim government. He was appointed to the task force under the Honiara Accord principles to represent Bougainville. The task force is made up of Papua New Guinea Government representatives and Bougainville members cooperating to restore services to the rebel-held island.

Our Port Moresby office said the arrest of Mr. (Eta) could jeopardize the next round of peace talks scheduled for July.

Government To Investigate Abuses

BK2606092491 Hong Kong AFP in English 0838 GMT 26 Jun 91

[Text] Sydney, June 26 (AFP)—Papua New Guinea will hold an independent inquiry to examine human rights abuses on Bougainville, Prime Minister Rabbie Namaliu announced Wednesday.

Mr. Namaliu said in a statement released here that the investigation would begin "when circumstances allow."

The move followed confirmation on Australian television by former Bougainville Defence Chief Colonel Leo Nuia that Australian-supplied helicopters were used as gunships during the secessionist war on the island and to dump bodies of executed civilians into the sea.

Mr. Namaliu said the inquiry would investigate alleged human rights abuses by members of the secession-seeking Bougainville Revolutionary Army (BRA).

"The government does not condone human rights abuses," Mr. Namaliu said. "The alleged human rights abuses on Bougainville are no exception to this policy.

"The inquiry will be into alleged abuses by BRA members as well as alleged abuses by some security force personnel."

Col. Nuia was sacked from the Papua New Guinea Defence Force for his comments, which contradicted statements he had given to the government regarding atrocities on Bougainville.

AUSTRALIAN ASSOCIATED PRESS (AAP) reported from Port Moresby that four MPs [member of Parliament] from Bougainville claimed the atrocities confirmed by Col. Nuia were only the "tip of the iceberg."

The statement, signed by Provincial Affairs Minister John Momis, who heads the task force charged with restoring services to Bougainville, said the continued presence of government troops on the island hindered peace.

"The council chiefs and the Bougainville members of Parliament have been at pains to point out that the security force presence on the island will always be provocative and result in more atrocities and human rights abuses," they said.

The MPs welcomed the removal of Col. Nuia from the Bougainville operations, calling it "long overdue."

The two-year old conflict on Bougainville is still to be resolved despite both sides signing a declaration of peace earlier this year.